

The Nation's Business



Agriculture . Mining . Manufacturing
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Entered as second-class matter, February 18, 1913, at the Post-Office at Washington, D. C., under the Act of March 3, 1879.

Volume III

June 15, 1915

Number 6—Part I

PART I

The Pan American Financial Conference
As Eminent Americans View It

Our Permanent Exhibits, The National Parks

Our New Markets in the Balkans

Can We Be Independent of German Dyestuffs?

PART II

An Illustrated Review of the Pan American Financial
Conference and the Results of its Deliberations

Including

An Opinion by the Secretary of the Treasury

ONE DOLLAR A YEAR
TEN CENTS A COPY

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA, RIGGS BUILDING, WASHINGTON, D. C.

THE NATION'S BUSINESS

Published Monthly by the
CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA
Riggs Building, Washington, D. C.

NEW YORK—WOOLWORTH BUILDING. CHICAGO—10 SOUTH LA SALLE STREET. SAN FRANCISCO—MERCHANTS EXCHANGE BUILDING.

Subscription Price: \$1.00 Per Year

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Entered as Second-class Matter, February 18, 1913, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

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Commerce in the Month's News

WORLD history in May and early June moved with dramatic swiftness and fixed the attention of the American people on their own national life and its relation to that of other peoples as perhaps they have never before regarded such a relationship.

On the oldest of continents, China averted open war only by yielding to the stern demands of Japan. In the old world of Europe, the Italian government and people made the fateful decision to enter the great war. Cabinets and ministries dissolved and changed in Britain and France, and the battle lines shifted over wide areas, from the British Channel and Switzerland to Poland and the Dardanelles. President Wilson sent a solemn warning to the leaders of the warring factions in Mexico, and, while the navies of the European allies continued to impede the flow of American commerce, our relations with Germany over the destruction of American lives and property by submarines became tense, almost to the breaking point. How this all underlies and conditions the world's trade is what interests business men.

IN these pages last month we summarized the President's note to Germany over the destruction of the steamer *Lusitania* by a torpedo on May 7. The German reply was dated at Berlin on May 29. As to the sinking of the American steamers, *Cushing* and *Gulflight*, it was admitted that Germany "has no intention of submitting neutral ships in the war zone which are guilty of no hostile acts to attack." If neutral ships have suffered, owing to mistakes in identification, the Germans blame the British for "abuse of flags." However, if proven at fault, Germany offers indemnification. The reported attempt of the British steamer *Falaba* to escape was given as a reason for its sinking. Coming, then, to the sinking of the *Lusitania*, the note insisted that the liner was not "an ordinary unarmed merchantman, but a British auxiliary cruis-

er," equipped with cannon and ammunition. Therefore, the German Government "believes that it was acting in justified self defense" in sinking the ship. On June 4, another note was received from the German Foreign Office regarding in particular the sinking of the American steamer *Gulflight*. This, the Germans admit was due to mistake, the captain of the submarine not having seen the American flag until too late. As to the *Frye*, sunk in January by the *Eitel Friedrich*, Germany persists in submitting the matter of compensation to her prize courts.

PRESIDENT Wilson's reply to the German note concerning the sinking of the *Lusitania*, was dated June 9. It contended for the rights of humanity, "which no government would be justified in abandoning." Replying to the contention of the German Foreign Office that the steamer was armed, the President declared that the United States officials at the port of New York performed their duties of neutrality with "scrupulous vigilance." The questions of contraband of war on the *Lusitania* are, "in the view of this Government," "quite irrelevant to the question of the legality of the methods used by the German naval authorities in sinking the vessel." The sinking of passenger ships, says the President, involves principles of humanity "which lift it out of the class of ordinary subjects of diplomatic discussion or of international controversy." The United States, it is further intimated, is willing to proffer its good offices in order to bring about an under-



THE ONLY WAY TO LOOK AT THE EUROPEAN WAR:
Through the Telescope of American Patriotism.
—Bradley in the Daily News (Chicago).

standing between Britain and Germany. Finally, the note closed by asking for "assurances" that Germany will adopt measures necessary for the safeguarding of American lives and American ships.

FOLLOWING upon the report of Duval West, President Wilson's special Commissioner to Mexico, which was made public late in May, the President addressed a statement to the Mexican leaders, Carranza and Villa, which has been generally interpreted as a warning of possible American intervention. Calling attention to the fact that "Mexico is apparently no nearer a solution of her tragical troubles than she was when the revolution was first kindled," and that her crops are destroyed, her people suffering for food, and that there is no adequate government, the President says that the time has come for the government of the United States to state frankly the policy which in these "extraordinary circumstances it becomes its duty to adopt." If the warring factions cannot unite "for the relief and redemption of their prostrate country" within "a very short time," the United States Government will be "constrained to decide what means should be employed" in order to "help Mexico save herself and serve her people." What Mexico needs just now, a keen observer has said, is biscuits, not bullets or ballots.

THE outstanding event of commercial importance to all the Western hemisphere during the month of May was the Pan American Financial Conference at Washington called by the Secretary of the Treasury. THE NATION'S BUSINESS recognizes the importance of this event by publishing special additional material to the present issue giving an illustrated review of the Conference. The verdicts of a number of financial, commercial and diplomatic authorities on the value of this meeting, and a brief account of the subsequent trip through American cities, are also recorded in our pages. Its labors will partake of a more enduring character through the appointment of a series of standing committees.

THE first concrete result of the Conference was the agreement between committees of the Chamber of Commerce of the United States and the Chamber of Commerce of Buenos Aires upon a definitely formulated plan for the arbitration of commercial disputes between the two countries.

Full details as to how this agreement was worked out by the National Chamber's committee and Dr. Aldao, representing the Buenos Aires Chamber, will be found in a special article, which reproduces the draft of the agreement, (subject to ratification by the two chambers concerned) in the Pan American Conference material in this issue. This agreement is representative of the tone of the entire Conference. The two halves of the American hemisphere, came together for the first time. The aloofness of ignorance and the indif-

World
History
of a
Month

The
German-
American
Notes

All America
in Finan-
cial Con-
ference

Commercial
Arbitration
with South
America

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ference it engenders—to use the phrase of the Colombian orator, Dr. Triana—these are beginning to be dissipated. North Americans, Central Americans, Caribbean Americans and South Americans will hereafter know one another better.

BIG problems of human intercourse, communication and exchange, transportation and the development of enormous natural resources—these were the topics of discussion at the group conferences. The data of trade these Latin-Americans brought to Washington cannot fail to

The Big
Issues
of the
Conference

be of deep interest and vital concern to American business men, not merely to those who now have commercial relations with the lands to the south of our border, but to all those of us who are planning or hoping to share in the commerce of the 75,000,000 of people who speak Spanish and Portuguese, but are still as rightfully Americans as ourselves. All this data and much other valuable material for trade is to be found in Part II containing the special material in this number of THE NATION'S BUSINESS. The great lesson of the Pan American Financial Conference was in the value of coming together and reasoning out common problems and taking stock of resources. This lesson is emphasized by the Secretary of the Treasury, in the article he has prepared especially for this magazine, and in all the expressions of opinion by other eminent authorities, diplomatic and commercial, printed on another page.

THE Chamber of Commerce of the United States has interested itself for the past year in securing reduction of tariffs maintained by South American countries on certain articles, so high at present as to be a barrier to their export by American manufacturers. Complaints received from members have been made up into briefs and presented to the State Department for transmission to the American diplomatic representatives in these countries. Information furnished to the State Department by Edwin V. Morgan, American Ambassador to Brazil, indicates that the Minister of Finance in that country is about to appoint a special commission to prepare for the revision of the Brazilian tariff and submit a report to the current session of the Brazilian Congress. Except in the case of one commodity, practically all the data now in the hands of Ambassador Morgan has been contributed by members of the National Chamber through its Washington office. The long list indicates the general interest in the question and the importance of the as-

Tariff
Revision
in Brazil

sistance which can be rendered American exporters if arrangements can be made to facilitate the introduction of American products into Brazil and thus overcome the very considerable balance of trade which is now against us in our commercial relations with that republic.

A FEW days after this number of THE NATION'S BUSINESS reaches its readers the vote on the Merchant Marine referendum will close. By June 22 the last ballot must have been received at the headquarters of the National Chamber in Washington. The vote will be canvassed by the Board of Directors after its meeting at the end of the month. Some of the methods of voting followed when these pages went to press, are set forth on another page. In the special Part II on the Pan American Financial Conference, the Secretary of the Treasurer devotes a goodly portion of his article to a presentation of the views of the administration as to the proper method for secur-

Voting
on a
Merchant
Marine



THE VISION OF THE PAN AMERICAN CONFERENCE

The Americas, North, Central and South, as They See the Trade Ties that will Bind Them Together in the Near Future.

—Berryman in the Star, (Washington).

ing a merchant marine. The result of the balloting by the National Chamber on its referendum will be the best expression practically obtainable of what the business men of the country think should be done to restore our flag to the waters of commerce.

THE value of the "come, let us reason together" method received further emphasis from the other side of the world last month. The keen, sane, social character of the Chinese mind, and its eminent fitness for commercial transactions on a large scale was brought out significantly during the visit

The Resourceful
Chinese
Mind

of the Chinese Commission to the headquarters of the National Chamber on May 29. In the response of the Vice President of the Commission, Mr. Nieh, to the expressions of welcome by President Fahey of the National Chamber, two constructive suggestions were made. Noting the fact that Americans succeed where Chinese fail, because they have more industrial efficiency, Mr. Nieh suggested a series of correspondence centers

between the Chinese Chamber of Commerce and the Chamber of Commerce of the United States, located at important American and Chinese cities. He also favored the establishment of a commercial museum in China where American materials and manufactured products might be on exhibition. The United States Chamber is favorably inclined toward these suggestions. Chinese business ethics are the highest in the world. We can benefit greatly by studying these ethics and coming into closer commercial relations with the vast ancient land of the Far East.

A NUMBER of cities are planning to make this "Fourth" Americanization Day. The idea is to hold exercises of various kinds pointing out the opportunities and duties of citizenship and inviting foreign-born and native citizens alike to celebrate the consciousness of American nationality. At this time, when political ideals all over the world are being so severely strained, this movement is commendable as tending to increase the social and industrial solidarity of American communities. It is immeasurably better than the noisy, blustery "Fourth" to which we have so often objected.

BELIEF that "the law of service is fundamental to business, whose very existence depends on the maintenance of certain moral principles," has come to be part of the twentieth century economic and social creed. The quotation is from a noteworthy new book, which has attracted

War, Business and
Christian
Principles

wide interest among business men, written by a clergyman who has discovered that "business ideals of democratizing industry to conserve human values, together with the scientific demand for perfection in the quality of production, do not leave business men far from the kingdom of heaven." This writer, Dr. Paul M. Strayer, in his book ("The Reconstruction of the Church"), reminds his religious and business associates that "the very existence of modern business rests upon reputation—and reputation is the shadow of character." Emphasizing the fact that "business rests upon the discovery and the supply of social needs," this clergyman who is endeavoring to "articulate the idealism of business with the idealism of religion," says:

Perhaps most men would say that they are in business for the money and not for the purpose of performing social service; and yet the laws of business are such that a man must render service to the community or the community will have none of him. * * * If a business does not serve some social need it is uneconomic and useless and will soon be cast aside.

This is but another way of putting what Judge Gary said in a recent address on cooperation. Referring to the European war, he stated it as his belief that, fundamentally, the struggle was made possible by the failure of men and women constituting great populations to insist upon the application, in respect to their economic activities and interests, of the simple Christian principles of mutual forbearance and cooperation, which they avow as a religious or social creed.

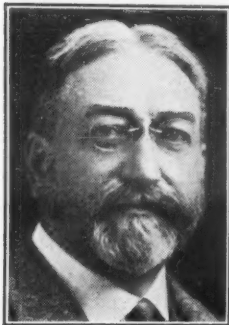
The Meaning of the Pan American Conference

Leaders of Diplomacy and Commerce Give Their Views for The Nation's Business*

John Bassett Moore

International Law Expert, Former Assistant Secretary of State.

THE Pan American Financial Conference represents a distinct step forward in Pan Americanism. Heretofore, this Pan Americanism was supposed to



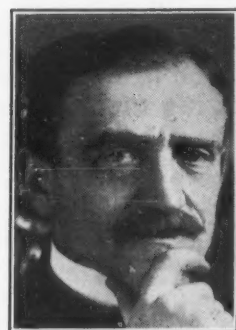
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JOHN B. MOORE.

embrace the idea chiefly of a solidarity of political interests. The material interests of the South American countries were bound up with Europe, which not only furnished a market for their products, but also served as the great reservoir from which they drew the necessary capital for railways and other business enterprises. Meanwhile, the people of the United States were also borrowers from Europe, and were, besides, preoccupied with their great and expanding domestic market, in which business was conducted with short credits and on a large margin of profit. Gradually, the situation has changed. The manufacturers of the United States are seeking markets abroad. The merchants and bankers of the United States are yearly becoming more able to lend money and to extend credits. It is in the natural order of things that the circle of interests which the United States and the other independent countries of America have in common should be completed by uniting with their political concerns those of a material character.

Dr. Leo S. Rowe

Secretary General of the Conference.

WHAT, it will be asked, "were the results accomplished?" In the first place, it must be remembered that there was assembled in Washington a group of representatives of all the countries of Central and South America, whose official positions, as Ministers of Finance, and whose leadership in the commerce and industries of their respective countries gave them the right to speak in the name of the countries and nations of the American continent. To meet and confer with them there assembled a body of financiers and merchants from the United States, representing every section of the country and occupying a position of unquestioned leadership.



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DR. LEO S. ROWE.

Far beyond these immediate and practical achievements, we must not forget the intangible results of

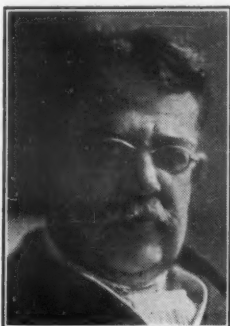
*The verdict of the Secretary of the Treasury, who called the Conference, in its significance is given in an article prepared especially for THE NATION'S BUSINESS, appearing in Part II of this issue.

Dr. Perez Triana

Author, Delegate of Colombia.

(Senor Dr. Santiago Perez Triana is one of the gifted orators and writers of his native country. He has been Minister to England, and represented Colombia at The Hague. He delivered one of the most noteworthy addresses at the Conference.)

THE Pan American Financial Conference may be of great benefit to North and South America, because getting together and talking only removes the anarchy but also indifferently know more about Americans and South this conference is will change geographical human interests. Not done, but I believe a result of this particular is full of profitable employment, profitable not in water powers, agricultural and their products and of commerce, Colombia is greater as an opportunity than perhaps any other of the South American lands.



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DR. SANTIAGO PEREZ TRIANA

this conference. Every member of each of the delegations is returning to his country with definite, concrete information as to the attitude of the financiers and investing public of the United States.

These countries will know, as never before, the precise conditions under which they can expect the cooperation of American capital.

It is, furthermore, the fixed determination of Secretary McAdoo to spare no effort in following up the work of the conference, and in building up a permanent organization which will give effect to the deliberations.

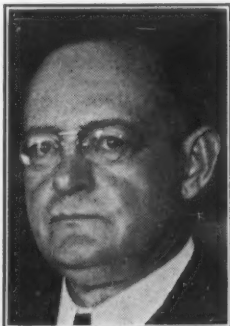
Entirely independent of these achievements, those who attended the conference felt inspired by the spectacle offered in this period of world conflict. Every one was deeply impressed with the splendid spirit that actuated both the foreign delegations and the representatives of the United States. In a moment of world conflict the nations of the American Continent assembled to ascertain how they could best be of service to one another. The occasion was one of great solemnity and of world-wide significance.

Charles S. Hamlin

Governor of the Federal Reserve Board.

THE coming together in conference of the sovereign nations of the Western Hemisphere was an event of deep significance to the whole civilized world, and, in my opinion, will surely result in a very large increase in the trade between North and South America.

The delegates had full opportunity for discussion of the needs and problems of the respective nations, and a much clearer knowledge of these problems has been obtained as a result of the conference. Much remains to be done, but the propos-



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CHARLES S. HAMLIN.

ed appointment of a committee representing each nation has furnished a method of procedure which will speedily bear fruit.

The United States was never so well equipped as it is today to share its resources with those of the great nations to the south of us, and I look forward to a marvelous increase both in trade and in good feeling between these nations as a result.

John Barrett

Director General of the Pan American Union.

THE "net profit" of the Pan American Financial Conference cannot be calculated in exact terms at this moment. Everything depends upon what will be done from now on in carrying out the recommendations of the various reports and resolutions of the conference. There is no question whatever that it was a brilliant success, so far as attendance, hard work, enthusiasm and good will are concerned. Everyone connected with it must now put his shoulder to the wheel to get actual, tangible and practical results.

There is no doubt whatever that all of those who took part, whether they were delegates from Latin America or members from the United States went away with a firm purpose to do all they can to promote practical Pan Americanism. With the various cares of their respective responsibilities and occupations, however, there is always danger that there may be a weakening in good intentions and the desired results delayed.

As the executive officer of the Pan American Union, I can say that this organization stands ready to cooperate to the fullest extent possible with the Treasury Department and with any committees that may be appointed in the different countries.

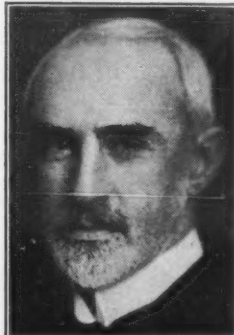


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JOHN BARRETT.

John H. Fahey

President Chamber of Commerce of the United States.

THE conference was one of the most successful and most representative meetings of bankers and business men ever held in this country. It came at exactly the right time and if we, in this country, fully appreciate the significance of this gathering, it should mark the beginning of a new era in the relations of the Western continents. I think the detailed arrangements for the conference were handled with great skill, and that the committee conferences were an especially valuable feature of the meeting. It is gratifying that steps are being taken to follow up the work which has been started in such constructive fashion.



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Frank A. Vanderlip

President National City Bank, New York.

THE Pan American Financial Conference laid a foundation of inestimable value for the building of definite commercial and financial relations between the republics of North and South America. In the past, the lack of mutual understanding, which is so essential to political and business relations, has been an obstacle to really constructive, cooperative effort.

I believe that this conference has accomplished a great deal in the way of clarifying the aims and motives of the nations of this hemisphere, in which, by all the dictates of political security, commercial progress and humanitarianism should cooperate constantly and effectively. Too much has been said; too much has been written of a superficial nature about our neighboring republics. The citizens of these countries are far too intelligent and have too much just pride in their countries to be happy over such superficial discussion. There will be much less of it in the future. No one who attended the conference could fail to have a clearer idea of the strength and position of all these nations, which, if working together intelligently, can, in their unity of effort, be such a powerful coalition for world progress.

The shipping problem is susceptible of solution and will be solved, I hope, in such a way as to provide the better communications which are so much needed. The International Committee, which was appointed to consider the question,



Photo by Taylor
FRANK A. VANDERLIP.

will presumably prepare some plan of a practical and constructive nature.

As regards financing, the conference has done much to focus the attention of the investors of this country upon the integrity and resources of the southern republics. To a nation, which has comparatively never gone outside the boundaries of its own country to purchase securities, and which has had to have much outside capital for the development of its own resources, education with regard to foreign securities is necessary. The investing public in this country are generally becoming interested in sound foreign securities, and the United States is reaching the point where it can be of service in furnishing capital, in the same way that it has been helped in the past. The confidence, born of personal contact and respect, which is always the basis for such financial service, was promoted in a marked degree at this conference.

The idea of arbitrable adjudication of commercial disputes, advanced by Dr. Richard C. Aldao of Argentina, was wisely conceived, and will undoubtedly crystallize into a plan which will be very helpful. This, in conjunction with the harmonizing of commercial laws and codes, should give much added facility to commercial intercourse.

Cooperation the Key-note

There was much to justify optimism in the conference. The proceedings were conducted most effectively. They were impressive to the business men of this country, as I am sure they were to the foreign delegates. If some of the delegates came to the conference with doubts in their minds as to the motives and purposes of the United States, I am sure these were dispelled. They had ample proof that this country has no imperial ambitions. It has a distaste for political aggression. Friendship is what we seek and what we wish to give. The conference has promoted real friendship and this spirit of political and commercial amity will help all the republics to forget the miles that intervene, and remember only the fairness and the desire to cooperate, which should be the actuating forces in our relations.

Uncle Sam Seller of Villa Sites

TO many Americans, dealer in real estate is the latest guise in which Uncle Sam presents himself. On July 26 the National Government, just like any other real estate dealer, will sell villa sites carved out of certain Indian lands on the border of Flathead Lake, Mont., near the famous Glacier National Park. In the alluring literature brought out by the General Land Office of the Department of the Interior, we are told that those villa sites have been surveyed, that each one contains not less than two or more than five acres, that there are good automobile roads, that the climate is delightful, that fruit thrives and that these sites are "not only well adapted for summer villas for persons of wealth but for permanent homes for persons of moderate means and for fruit raising." Those interested should communicate with the First Assistant Secretary of the Interior, although bids must be made either in person or by agents, and not by mail.



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DISTINGUISHED LATIN AMERICANS, GUESTS OF THE NATION.

A group photograph of a portion of the Pan American party which headed by Hon. Andrew J. Peters, Assistant Secretary of the Treasury, toured a part of the United States as guests of the Government. The visitors are standing on the steps of Bancroft Hall at the Naval Academy in Annapolis on Decoration Day.

The Pan American Visiting Party

IMMEDIATELY following the conference, many of the foreign delegates, as guests of the United States Government, availed themselves of an opportunity to pay a brief visit to cities in the eastern and central portions of our country. The territory covered was not new to many of them, but, one and all of these visitors from abroad, were struck by the magnitude of the industrial establishments of the United States—of North America,—as they prefer to call us. As the trip went on the interest increased.

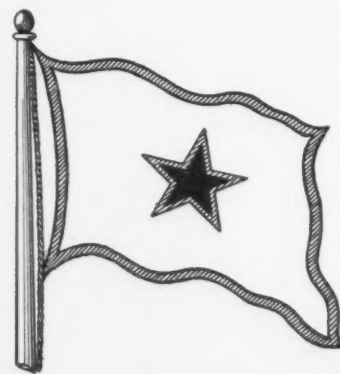
The head of the party was Hon. Andrew J. Peters, Assistant Secretary of the Treasury, who personally represented Mr. McAdoo. Accompanying the visitors, and assistant secretary in charge, was Hon. William F. Sands, who, for twenty-five years was connected with the diplomatic and consular service of the United States. Mr. William A. Reid, an expert in Central and South American trade, represented the Pan American Union, Mr. Horace M. Gillman, of the Treasury Department, managed the business details of the trip. Robert D. Heintz, Associate Editor of THE NATION'S BUSINESS, was in charge of the press publicity.

Latin-Americans Who Took the Trip

The foreign guests were: *Brazil*, Admiral Cordeira da Graca, retired, of the Brazilian Navy; *Chile*, Don Luis Izquierdo, former Minister of Foreign Affairs; Augusto Villanueva, Director General of the Bank of Chile, and Gonzalo Vergara Bulnes, a prominent corporation lawyer; *Guatemala*, Senor Juan S. Lara, a well known banker; *Colombia*, Don. Santiago Perez Triana, formerly Minister to Great Britain; *Honduras*, Gen. Leopoldo Cordova, Minister of Finance, and Senor D. Fortin, a leading merchant; *Nicaragua*, Don. Pedro Rafael Cuadra, former Minister of Finance, and Pedro Cuadra, Jr.; *Panama*, Aristides Arjona, Sr., Secretary of Finance and Treasury, Dr. J. E. Arjona and A. Arjona,

Jr.; *Ecuador*, Enrique Callardo, consul general at New York, and Vincente Gonzales, a prominent business man; *Cuba*, Don Porfirio Franca, chief director of the National Bank of Cuba, and Octavio Zayas, prominent banker, and formerly consul-general at New York; *Dominican Republic*, Francisco J. Peynado, former Minister at Washington.

The travellers left Washington on the Monday following Decoration Day. They were escorted about the grounds of the Naval Academy at Annapolis. The same afternoon, upon arriving at Baltimore, the party was taken for a harbor trip. Mayor Preston was host at dinner.



A NEW FLAG OF THE AMERICAS.

Inspired by the Pan American Conference, a flag, a white body with a single blue five-pointed star, was designed by the Philadelphia Chamber of Commerce for proposed use on ships plying between American countries. The new flag was presented to Mr. Peters for Secretary McAdoo, at the Betsy Ross House, by Miss Sarah Wilson, a great grand-daughter of the woman who made the first American flag.

The Varied Itinerary

Escorted by mounted police and a band, in Philadelphia, the delegates were taken to Independence Hall. They occupied chairs in the East Room, where the Declaration of Independence had been signed exact one hundred and thirty-nine years before. Don Pablo Desvernines y Galdos, Secretary of Foreign Affairs, of Cuba, presided, and Mayor Blankenburg, of Philadelphia, presented a "Declara-

tion of Interdependence" to be signed. After a visit to Cramp's Ship Yards, the party inspected the Philadelphia Navy Yard, and Stetson's Hat Factory. There was a brilliant banquet at night. At the Mint it so happened that a quantity of Cuban dollars were being coined. While being escorted through the Baldwin Locomotive Works, the visitors secured an intimate view of all stages of locomotive construction.

In Pittsburg the morning was spent in the National Tube Works. The same afternoon the entire delegation visited the immense Carnegie Steel Works at Homestead. Here, in the process of making, was a large amount of armor plate for some of the newer American battleships. There was a dinner at night, given by the Chamber of Commerce of Pittsburg.

In St. Louis the delegation was met at the train by Governor Major, of Missouri, and an escort of state troops. The Chamber of Commerce gave an informal luncheon. The party was then received by A. A. Busch at his country place, formerly the farm of Gen. U. S. Grant. The next day a visit was made to the St. Louis Art Museum and luncheon was eaten at the St. Louis Country Club.

In Chicago there was a reception by Mayor Thompson and an automobile tour through the famous park system. The Pan American Consular Association entertained at luncheon. At night there was a dinner given by the City of Chicago, the Chicago Association of Commerce, the Chicago Clearing House, the Illinois Manufacturers Association, the Illinois Bankers Association, and the Chicago Board of Trade.

On the following day there was an extended visit to the stock yards and packing plants. A luncheon was given at the Saddle and Sirloin Club. As the NATION'S BUSINESS goes to press the party is enroute from Chicago to Detroit, with Niagara Falls, Buffalo, Schenectady, Boston and New York to follow.

How American Business May Help World Peace

The World Court Congress and a Constructive Program for the Future

THE largeness of view and scope of action of American business very frequently give it the character of the highest statesmanship. In the following articles three different phases of American business interest in the larger affairs of the world are set forth. Dr. John Wesley Hill, who is President of the International Peace Forum and Secretary of the World Court Commission, has prepared especially for THE NATION'S BUSINESS the statement on the World Court Congress. The ideas of Mr. Edward A. Filene, the well known business man interested in civic and humanitarian affairs, are quoted from an address delivered on May 21, before the Lake Mohonk Conference on International Arbitration. Mr. Herbert S. Houston's plea for stopping war by economic pressure is quoted from an address delivered to the World Court Congress on May 14, Mr. Houston attending as a delegate from the Chamber of Commerce of the United States. Dr. Hill's article follows here:

The World Court Congress

Many distinguished Americans in all walks of life, a former President, Senators, members of Congress, captains of industry, educators, bankers, merchants, ministers of the gospel, diplomats and others of eminence, attended the World Court Congress which held its sessions for three days, beginning May 12, in Cleveland, Ohio.

In a number of stirring addresses peace was put before the world as a business proposition. The economic side of war was thoroughly discussed and a number of constructive suggestions made for the prevention of wars in the future. Ex-President Taft sounded the keynote when he said that a World Court, patterned after our own American Supreme Court, was possible and practicable.

In order to spread the propaganda and explain the ideas of the projectors of this plan, a monthly magazine, *The World Court*, will soon be issued under the auspices of the International Peace Forum.

Accomplishments of the Congress

The accomplishments of the Congress are likely to be far-reaching. They may be summed up thus:

(1.) The assembling of the representative men of the nation on one platform for the discussion of one question, the Judicial Settlement of International Disputes. It was prophesied by some timid spirits in advance of Congress that its deliberations would be characterized by friction, that a Congress composed of such a variety of groups of peace advocates must of necessity lack co-ordination and result in confusion. The opposite was the case. The specialists composing the program dismissed all minor questions and focused upon the supreme necessity of the hour, the establishment of a World Court on the plan of the Supreme Court of the United States.

(2.) The arousing of the sentiment of the nation in support of this movement, through the Associated Press and many other news agencies.

(3.) The creation of a literature stamped with the latest thought upon this question. The

official report of the Congress will become a text-book on international relations, responsibilities and procedure.

(4.) The creation of a commission to devise ways and means for the practical advancement of the movement, and, at the psychologic moment, to form the nucleus of the court among the neutral nations upon such a basis that at the close of the war the present belligerents may become identified with it, thus making the court world-wide in its authority and power.

(5.) The provision for future Congresses which will be held throughout the country for the advancement of this propaganda.

(6.) The spectacle of all the peace societies of the country in a common movement. If universal peace cannot be secured at once, the cooperation of all the peace societies was a prophecy of the success of the world-wide movement in view.

Mr. Filene spoke on:

What American Business Men Can Do

What can the United States do to bring about the right settlement of the war? What are the proposals that have caught the attention of the business world? He answers:

First, an International Council of Conciliation and a World Court; second, a means of putting some definite sanction behind that Council and that Court; third, the "Open Door."

It has been said that the present war is but a continuation of the commercial war that has been going on intensively between the nations of the world for the last twenty-five years. It is the belief of the leading Germans that the Entente powers were attempting to limit Germany's markets more and more. This was the way in which Germany interpreted the Morocco incident, and German Colonial policy was largely an attempt to make sure of new markets, or rather, to make sure that new markets would not be closed against the Fatherland.

From this it has been concluded, in some quarters, that general free trade is necessary for a lasting peace between the nations. I do not believe that such a proposal has any possibility of being even considered at the settlement of this war. It would be too serious a task for the exhausted nations to collect by direct taxes the revenues that have come to them hitherto from tariffs. More than this, in almost all the countries it would mean a great readjustment of their industries—a thing quite impossible in their present condition. There would also be made necessary in most of the countries political readjustment on a scale that would be full of grave dangers.

Free trade is impracticable, if not impossible. Nevertheless, I believe the cause of more lasting peace can be largely helped by an agreement for the "Open Door" order, that is to say, by an international agreement to do away with preferential tariffs. While each country would retain the right to make its own tariff, it would agree that every other country should have the right to trade with it on equal terms. Such an agreement is practically possible and would

go a long way towards removing one fundamental cause of war.

The Opportunity of a World Court

As to the question of a Council of Conciliation or a World Court, it would seem that the most expert men, the men of best international experience and wisdom, are practically agreed on the necessity of these things as foundations for more lasting peace.

I believe also that on one point you will find practical agreement among business men. We are not interested in any council or World Court that has not behind it a definite sanction. Our business experience and our knowledge of innumerable broken international agreements and treaties makes us unwilling to trust to any agreement the breach of which does not involve a definite penalty. In this we are upheld by the best authorities in international relations.

The most practical sanctions presented for our consideration are—first, force, and second, non-intercourse or some economic penalty. Dealing with the first, an international police force, if you will so call it, may be necessary. Yet there are great dangers and great difficulties involved in this sanction. However, we shall have general agreement in our belief that any other sanction that can be employed, making the sanction of military force less often needed, will be welcomed with open arms by all concerned.

Non-Intercourse as a Policy

Among such possible military sanctions, I believe non-intercourse to be the most practicable and most desirable. By non-intercourse I mean of course a refusal not only to furnish munitions of war, food supplies or any other kind of exports, but also a refusal to furnish financial aid to any nation which goes to war without first submitting its contention to the Council of Conciliation or the World Court. As business men we know that this method of non-intercourse may cause large loss of profits to many of us, but those losses could by fitting national organization be evenly distributed. I firmly believe that even if this were not so, as business men we are ready to meet losses if by so doing we can help to prevent such terrible wars as the present one. Moreover, the net results of wars are loss and not profit to any nation, even to a neutral nation.

When once public opinion has become enlightened and determined, we believe the time will have come to make the attempt, through a conference of neutral nations, for an international agreement. When the conference of the warring nations meets to determine the terms of settlement if there is in existence a definite strong force of opinion among the peoples of the neutral nations, or, better still, a definite agreement among the neutral nations for an International Council of Conciliation and a World Court backed by the sanction of non-intercourse, there is good reason to believe that this will be of great influence in determining the terms of the actual settlement of the war and in helping to make it a settlement productive

of lasting peace. In any event it will be entitled to a definite hearing and definite respect, because it represents not only a general desire for more lasting peace, but a readiness and agreement to make definite sacrifices for such peace; that is, although we are neutrals, we are ready to pay our share of the price to secure lasting peace.

Carrying this policy further to the point of action, Mr. Houston's plan is to

Stop War By Economic Pressure

The most effective factors in world-wide economic pressure, such as would be required to compel nations to take justiciable issues to a World Court for decision and to submit to its decrees, are a group of international forces. To-day money is international because in all civilized countries it has gold as the common basis. Credit based on gold is international. Commerce based on money and on credit is international. Then the amazing network of agencies by which money and credit and commerce are employed in the world are also international. Take the stock exchanges, the cables, the wireless, the international postal service and the wonderful modern facilities for communication and intercommunication—all these are international forces. They are common to all nations. That is one of their chief merits in making them the most effective possible power, used in the form of economic pressure to put behind a World Court.

The Internationalism of Business

Business to-day is really the great organized life of the world. The agencies through which it is carried forward have created such a maze of interrelations that each nation must depend on all the others. I believe that an international Clearing House is bound to come. Business, finance and commerce are now so truly international that there is a manifest need of it. As a strong proof of this let me remind you that when this war broke, forty per cent. of the securities of the world were held internationally.

A nation that should decline to take justiciable questions to the World Court, after having agreed with other nations to do so, would manifestly become an outlaw. Why shouldn't other nations immediately declare an embargo of non-intercourse with an outlaw nation, refusing to buy from that nation or sell to that nation or have any intercourse whatsoever with that nation? I should like to propose the following resolution:

Believing that commerce as the organized business life of the world is interdependent because international, and believing that it can become a great conservator of the world's peace, therefore be it

RESOLVED, by this World Court Congress that the next Hague Conference be urged in the interest of peace, to provide as a penalty for the infraction of its conventions or for a refusal to submit all justiciable issues to arbitration, that an embargo shall be declared against the offending nations by the other signatory nations, as follows:

- 1—Forbidding an offending nation from buying or selling within their territory or territory under their control.
- 2—Forbidding an offending nation from raising money through the sale of bonds, or of any other forms of debt, within their territory or territory under their control.

The National Chamber

NOTICES have gone out for a meeting of the Board of Directors of the Chamber of Commerce of the United States, to be held in New York City on Tuesday and Wednesday, June 29 and 30. Through the courtesy of the New York Merchants' Association, the meeting will be held in the directors' room of that organization in the Woolworth Building.

Meeting of the Board of Directors

The main reason for selecting this particular date was to permit the Board to take prompt action upon the results of the referendum on the question of a Merchant Marine, which closes at midnight on June 22. The Board will officially canvass the vote and, in so far as it is found to commit the Chamber to particular policies, will consider plans for making the expression of opinion effective in connection with legislation at the next session of Congress. The question of holding a meeting of the Board in San Francisco during the first half of September will be finally determined at the New York meeting in accordance with the canvass of the members as to their ability to attend. There is at present one vacancy on the Board, due to resignation, which may be filled at this meeting.

Reports of Important Committees

In addition to action on the referendum, the Board will have to consider at the June meeting reports from various committees which, in turn, may be submitted to referendum of the membership. The special committee on the Department of Commerce has been actively at work and is expected to submit a report upon the development of the Bureau of Foreign and Domestic Commerce to keep pace with the opportunities for the advancement of foreign trade. This committee also has a sub-committee on census data and has undertaken through another sub-committee to investigate the Steamboat Inspection Service. This service has an intimate relation to the question of the development of the Merchant Marine.

Executive Committee Meeting

The last meeting of the Board of Directors was held in Washington, March 17 and 18. In view of the long period intervening, a meeting of the Executive Committee was held in Washington on May 25. Out of the twelve members of this committee nine were in attendance as follows: Messrs. L. C. Boyd, Franklin Conklin, W. H. Douglas, John J. Edson, John H. Fahey, C. S. Keith, R. F. Maddox, E. T. Meredith and R. G. Rhett. Honorary Vice-President A. B. Farquhar was also in attendance.

The committee occupied itself with matters of routine and the preparation of material to be acted upon by the Board of Directors in June. All of the members present had received invitations from the Secretary of the Treasury to take part in the Pan American Financial Conference, during the week beginning the 24th, and were assigned to various committees on South American countries. Consequently, the members were in Washington throughout the week and the committee adjourned from day to day at the call of the chair.

The Chamber Voting on a Merchant Marine

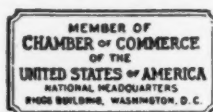
ONE week from the date of this issue,—on June 22,—the voting on Referendum No. 9, "on the Report of the Special Committee of the Chamber on the Up-Building of the Merchant Marine," will definitely close. Announcement of the result will be made through the public press, and by a special bulletin, while the official canvass of the vote by the Board of Directors will be made at a meeting to be held in New York on June 29. The questions submitted to vote and the character of the pamphlet containing the report of the committee, with additional pertinent data, have already been reviewed in THE NATION'S BUSINESS.

Referendum No. 9 is attracting more attention, both inside and outside the Chamber, than has been the case with other referenda. There is evidence of more careful consideration by the commercial bodies to which it has been submitted. This was to be expected, in view of the nation-wide importance of this question at this critical juncture of foreign affairs. Popular discussion of

extra copies of the referendum pamphlet for this purpose have been purchased, at cost, from the Chamber. In others the organizations in question have made a brief resume of the most pertinent points contained in the pamphlet and have submitted this, together with ballots to its membership, placing the closing date for voting sufficiently in advance of the date on which the vote of the organization itself must be filed with the National Chamber.

Another method resorted to by some of the organizations, which commends itself highly as providing a means for a practical expression of opinion, is that of referring the referendum pamphlet to a special committee which, in turn, prepares its report and recommendations as to voting. This is then submitted by mail to the entire membership. This last method is clearly in line with the ordinary method pursued by the Chamber of Commerce or Board of Trade which is confined to a single locality, where the pamphlet, on receipt, is referred to a committee which reports with

The New London Chamber of Commerce, Inc.



New London, Conn., June 10, 1915.

Should the United States Government participate directly, by becoming an active partner, in efforts to upbuild a National merchant marine?

This proposition will be vigorously discussed in the next Congress.

To aid in discovering the views of business men upon this important question the Central Chamber of Commerce at Washington is asking all the affiliated local chambers in the Nation to register an opinion and send a referendum vote on the matter to headquarters.

Our Congressman, the Hon. Richard P. Freeman, has kindly accepted our invitation to present the subject in a general way to our members and friends at our regular monthly meeting in the Council Chamber, next Monday evening at 8 o'clock.

This is a great coming question; of especial interest to New England and particularly to New London.

E. D. STEELE, President.
JOHN HUMPHREY, Secretary.

How One Chamber is Urging its Membership to Vote

the administration's late measure, known as the Ship Purchase Bill, has been again aroused through the prominence given to the subject of transportation at the Pan American Financial Conference held in Washington during the last week in May.

Methods Used by Voting Organizations

More than in any preceding case the voting organizations have made use of a referendum system on their own part, in order to secure an expression of opinion from their members upon which to base their vote to be filed with the National Chamber. This is a method peculiarly suited to national trade organizations which hold only infrequent meetings, and have a membership scattered all over the country. In some cases, a sufficient number of

recommendations to the governing body. This body may, in turn, refer the report for consideration at a regular or special meeting of members, or send it out to the membership, while, again, in certain instances, where it is authorized to do so by the Constitution and By Laws, the Board acts itself as representing the membership in filing the vote of the organization.

In cases where the questions are referred to a meeting of the membership for final determination, reports are reaching the Chamber of interesting discussions and lively debate. The submission of referenda by the National Chamber offers one of the best opportunities to commercial organizations to interest their members in their work.

The Campaign for a National Budget

BUSINESS men and political leaders who understand the problems of public administration continue to point out the necessity for the adoption by the United States of a National Budget system. The Chamber of Commerce of the United States, it will be remembered, by the first referendum submitted to its members stands committed to the idea. Last month a committee of the Chamber talked with the President on the subject and was informed that the Executive was deeply interested and expected to go into it thoroughly early in the next session of Congress with a special committee named by the House. There are political and personal reasons very often why larger appropriations are made than are necessary. Government efficiency requires that a budget system be adopted and business men can agitate the matter and give it such publicity that Congress cannot fail to take it up seriously.

New Bulletin Service

THE services of the National Chamber, in sending accurate and concrete information to its members, are consecutive. Having followed in its Legislative Bulletin in careful detail every change in the bills which were proposed in Congress for the creation of a Federal Trade Commission, the Chamber now has inaugurated a special series of bulletins in which it will convey all authoritative news obtainable about the activities of the Trade Commission which Congress created.

In the first of this new series of bulletins, issued on May 20, emphasis was laid upon each point of significance which had developed in the activities of the Commission, and upon such of its policies as might be forecasted. The nature of the procedure the Commission may adopt, the manner in which it will probably receive and treat complaints, its relation to decrees under the Sherman Act, the kind of reports which it is likely to ask corporations to make, and the nature of the informal conferences it has been holding with business men, were described with all the accuracy circumstances permitted.

The second bulletin, issued on June 10, was wholly devoted to a resume of the important developments in the course of the first public hearings the Commission has held. During four days in Boston and New York, the Commission listened to fifty or more business men who indicated the conditions they found in their export trade, and their opinion of the advisability of recommending to Congress new legislation permitting greater freedom among American exporters in meeting foreign competition.

A Continuous Service

As the Commission proceeds with its work and outlines its policies, or announces decisions, other numbers of this bulletin will be issued to the members of the Chamber, in each case pointing out with accuracy and with the greatest care their significance to American commerce and industry. It is well known that the Commission has in hand an investigation into the whole question of the wisdom of its recommending to Congress new legislation permitting manufacturers to fix and enforce prices at which their products may be sold at retail.

Before a conclusion is reached regarding resale prices, the Commission will probably take some action which will indicate the manner in which it will proceed with its jurisdiction to deal with methods of unfair competition. On June 14 the Chairman, acting as the Commissioner of Corporations, submitted to the President a compilation which the Bureau of Corporations made, not only regarding trust laws but also with respect to the meaning of the phrase "methods of unfair competition," the methods of competition which have generally been accepted in the United States as in fact unfair, and the exact practices which have been so characterized by the Department of Justice and the United States courts. The issue of this compilation, which in a way may serve as a handbook on the subject of unfair competition, may presage early exercise by the Commission of its special jurisdiction. When steps are being taken in this direction immediate announcement will be made in a number of the Federal Trade Bulletin.

Our Permanent Expositions, the National Parks

Some Constructive Suggestions for Becoming Acquainted With Our Country

The following article and suggested tourist programs were prepared for *The Nation's Business* by the Department of the Interior at the direct authorization of the Secretary

TWO expositions, like great magnets, are drawing westward the eyes and the desires of the people of America. The Panama-Pacific, at San Francisco, is the acknowledged masterpiece of



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THE SECRETARY OF THE INTERIOR

international fairs. The Panama-California, at San Diego, is a gem of sub-tropical beauty and substantial worth. Each, of its own kind, is altogether admirable. They conflict in nowise; each supplements the other.

The Natural Expositions of the West

But these are by no means all the expositions in the west this summer. Nature in her noblest manifestations beckons the traveller to spectacles of grandeur and loveliness unexcelled. Glacier National Park invites America to an Alpine wilderness which some day will draw Europe's thousands across sea and continent. Mount Rainier, icy octopus of the west, extends her glacial fingers down among gorgeous gardens of wild flowers to offer welcome to her visitors. Crater Lake sucks the blue from the skies to mix anew in her depths and give forth again in hues that do not seem real. Yellowstone exhibits fields of spouting geysers with which those of Iceland and New Zealand together offer no comparison. Yosemite presents her incomparable Valley. Sequoia exhibits twelve thousand giant trees, some of which have lived through all written history. The Grand Canyon hides her river seven thousand feet deep in a gulf of color so gorgeous and yet so indefinable that no painter can reproduce it. And Colorado invites all to her National Parks, Rocky Mountain, our newest, whose gateway is beautiful Estes Park, and Mesa Verde, with its cliff dwellings of prehistoric times.

Truly this is Exposition year and the west-bound traveller who

can not spare the time to see them all has much ado to make his choice.

To help those who are now planning their exposition journeys, there is here set forth a variety of combinations of sight-seeing to suit a variety of tastes and vacations and pocket books. These tables have been worked out with care. From them each may calculate for himself still other combinations. Of course, round numbers have had to be used here and there. To split days too closely in computing railway travel would have made the tables complicated, and instances occur when the traveller will find himself the unexpected possessor of a part afternoon or whole evening at a National Park or Exposition. But these discrepancies have been taken up in the totals both of time and expense, so that nothing is lost in the general outline.

Explanation of the Tables

Two sets of figures have been calculated, one for the traveller whose time is so limited he can afford only a glance at each spectacle; the other for those who have enough time to see the principal sights without hurry. The leisurely tourists may add days where they will and be well repaid.

The traveller may go the other way around, if he chooses, starting with the Grand Canyon and working north, with little if any departure from these figures. August is an excellent month to visit the northern parks.

In studying these tables it must be carefully borne in mind that no allowance is made for the time the traveller may wish to spend in various interesting cities like Denver, Salt Lake City, Seattle, Tacoma, Portland and Los Angeles, through which he may pass. The buyer of a round trip ticket is privileged to make stop overs at these and other places, if he wishes, or to stay longer to see San Francisco and San Diego. These tables, however, have not considered such stops. Each may add them as he pleases, but, of course, at additional cost of time and money. This is also



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(Mr. Stephen T. Mather, of California, who is engaged in making the American people acquainted with their National Parks)

true of many other beautiful spots on the Pacific Coast.

It must also be remembered that the tables take no account of any expenses apart from travel, sustenance and the principal sights in the National Parks. Travel is reckoned on the best regular trains, but luxuries, like seats in parlor cars and extra fare trains, have not been included. The calculations, however, include standard lower berths on all sleeping cars, ample meals in diners, and rooms and board in the best hotels everywhere.

In fact the frugal traveller may save something from these figures by patronizing tourist cars, by carrying food on trains, by taking upper berths, by stopping at camps instead of hotels in certain National Parks and by patronizing cheaper hotels and restaurants in San Francisco and San Diego.

On the other hand, ample allowance should be made for all kinds of personal expenses, such as tips, souvenirs, emergencies of various kinds, additional tempting excursions in the National Parks and the side exhibitions at the Expositions, many of which are exceedingly well worth while.



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MARK DANIELS, THE LANDSCAPE ENGINEER

(General Superintendent of the Twelve National Parks)

TRIP A

Trip from Chicago to the Panama-Pacific Exposition at San Francisco and the Panama-California Exposition at San Diego and Return.

(INCLUDING VISITS TO THE YELLOWSTONE NATIONAL PARK, THE YOSEMITE VALLEY AND THE GRAND CANYON)

	A Glance-At-Each Trip 20 days	A Chance-To-See Trip 31 days
Round trip railroad fare, exclusive of side trips to Yellowstone, Yosemite Valley and Grand Canyon, but inclusive of side trip to and from San Diego.	\$ 62.50 (a)	\$ 62.50 (a)
Railroad fare Ogden or Salt Lake and return.	12.25	12.25
Railroad and automobile fare to Yosemite (Sentinel Hotel) and return.	18.50	18.50
Railroad fare to Grand Canyon and return.	7.50	7.50
Hotel and transportation in Yellowstone.	14.25	41.25
Hotel and transportation in Yosemite.	16.00	54.00 (b)
Hotel and Rim Drive, Grand Canyon.	10.00	37.00
Total, exclusive of sleeping car fare and meals on trains and lodging and meals at San Francisco and San Diego	\$141.00	\$232.00
Berth in sleeper, standard lowers, 9 nights.	\$ 33.00	\$ 33.00
27 meals on train at \$1.00.	27.00	27.00
Expenses in San Francisco: hotel, \$3.00 per day; meals, \$3.00 per day; car fare and admission to Exposition, \$1.00 per day.	14.00	28.00
Expenses in San Diego: hotel, \$3.00 per day; meals, \$3.00 per day; car fare and admission to Exposition, \$1.00 per day.	14.00	28.00
	88.00	116.00
Total expenses	\$229.00	\$348.00

It is difficult to approximate expense of the given items as they vary with individual taste. The estimates above should cover all needs and could be materially reduced by using tourist sleeping-cars and upper berths, by carrying food on train, and by frugality in selecting restaurants and lodging in cities.

NOTE:—Tourist sleeper rates are generally one-half of standard fares and a reduction of 20% from both standard and tourist rates is made for upper berths.

NOTE a—Round trip rate quoted is via Union Pacific or all roads running south of it.

NOTE b—Including Glacier Point and one of the Big Tree Groves.

LENGTH OF TRIP

	days	days	days	days
Chicago to Yellowstone Park.	3			
In Yellowstone Park	2	5	At San Diego	2
To San Francisco	2	2	To Grand Canyon	1
At the Exposition	2	4	At Grand Canyon	1
To Yosemite Valley	1	1	To Chicago	3
In Yosemite Valley	2	4		
To San Diego	1	1		
			20	31

NOTES:—Transportation within the National Parks is calculated to cover the usual passage between principal points. Stops or side trips will increase the expense. If the excursion to the bottom of the Grand Canyon is undertaken on the one-day trip it will add to the expense.



Photograph from Department of the Interior
A PARTY OF TOURISTS AT CHALET ON ST. MARY'S LAKE, GLACIER PARK



Copyright by Haynes, St. Paul
OLD FAITHFUL INN, A FAVORITE RESORT IN THE YELLOWSTONE.

TRIP B

Trip from Chicago to the Panama-Pacific Exposition at San Francisco and the Panama-California Exposition at San Diego.

(INCLUDING VISITS TO THE YELLOWSTONE NATIONAL PARK, MOUNT RAINIER, THE YOSEMITE VALLEY AND THE GRAND CANYON)

	A Glance-At-Each Trip	A Chance-To-See Trip
Round trip railroad fare, exclusive of side trips to Yellowstone, Mount Rainier, Yosemite Valley and the Grand Canyon, but inclusive of side trip to San Diego	25 days \$ 80.00	34 days \$ 80.00
Railroad, stage and hotel accommodations from Pocatello or Butte (see Note a) to Yellowstone National Park and return	26.00 (a)	53.00 (a)
Railroad fares to and from Yosemite, including automobile to hotel	18.50	18.50
Railroad fares to and from Grand Canyon	7.50	7.50
Railroad, stage and hotel accommodations from Tacoma to Mount Rainier and return, including visit to one glacier	12.00	18.50
Hotel and transportation in Yosemite	16.00	54.00 (b)
Hotel and Rim Drive at Grand Canyon	10.00	37.00
Total, exclusive of sleeping-car fare, meals on trains, and lodging and meals at San Francisco and San Diego	170.00	268.50
Berth in sleeper, standard lowers, 10 nights	36.75	36.75
32 meals on trains at \$1.00	32.00	32.00
Expenses in San Francisco: hotel, \$3.00 per day; meals, \$3.00 per day; car fare and admission to Exposition, \$1.00 per day	14.00	28.00
Expenses in San Diego: hotel, \$3.00 per day; meals \$3.00 per day; car fare and admission to Exposition, \$1.00 per day	14.00	28.00
	96.75	124.65
Total expenses	\$266.75	\$393.25

NOTE a—The two days trip covers only the geysers. Complete tour of Yellowstone National Park can be made from Pocatello at \$53.00, from Livingston or Butte, Mont., at \$53.50.

NOTE b—Including Glacier Point and one of the Big Tree Groves.

LENGTH OF TRIP			
	days	days	days
Chicago to Yellowstone Park	3	In Yosemite Valley	2
In Yellowstone Park	5	To San Diego	1
To Mount Rainier	2	At San Diego	2
At Mount Rainier	2	To Grand Canyon	1
To San Francisco	2	At Grand Canyon	1
At the Exposition	2	To Chicago	3
To Yosemite	1		2
			24 34

Alternatives: I—To make the same trip substituting four days at Rocky Mountain National Park for Mount Rainier will require 1 day more and cost about \$20.00 more.

II—To make the same trip substituting three days at Glacier National Park for Mount Rainier will require 1 day more and cost \$22.00 more.

In Addition: I—To add Mesa Verde will require 6 days more and cost \$42.00 more.

II—To add Rocky Mountain National Park will require 4 days more and cost \$41.60 more.

III—To add Glacier National Park will require 4 days more and cost \$34.00 more.

IV—To add the Sequoia National Park will require 2 days more and cost \$17.50 more.

NOTE:—These Alternatives and Additions are calculated on the basis of shorter trip.

NOTE:—Transportation within the National Parks is calculated to cover the usual passage between principal points. Stops or side trips will increase the expense.

NOTE:—If the excursion to the bottom of the Grand Canyon is undertaken on the one day trip it will add to the expense.

TRIP C

Trip from Chicago to the Panama-Pacific Exposition at San Francisco and the Panama-California Exposition at San Diego.

(INCLUDING VISITS TO THE ROCKY MOUNTAIN NATIONAL PARK, THE YELLOWSTONE, GLACIER NATIONAL PARK, MOUNT RAINIER, CRATER LAKE, THE YOSEMITE VALLEY, THE SEQUOIA NATIONAL PARK AND THE GRAND CANYON)

	A Glance-At-Each Trip	A Chance-To-See Trip
Round trip railroad fare, exclusive of side trips to Rocky Mountain National Park, Yellowstone National Park, Mount Rainier, Crater Lake, Yosemite Valley, Sequoia National Park and Grand Canyon, but inclusive of side trip to and from San Diego	41 days \$ 80.00 (a)	56 days \$ 80.00 (a)

Automobile fare, Denver to Rocky Mountain National Park and return	9.60 (b)	9.60 (b)
Railroad fares, Billings to Yellowstone and return	6.90	6.90
Stage fares to and from Crater Lake	13.50	13.50
Railroad fares, Tacoma to Mount Rainier National Park and return	5.00	5.00
Railroad and automobile fares to and from Yosemite	18.50	18.50
Railroad and stage to and from Sequoia	13.00	13.00
Railroad fares to and from Grand Canyon	7.50	7.50
Hotel and transportation in Rocky Mountain National Park	34.50	45.50
Hotel and transportation in Yellowstone	53.50	53.50
Hotel and transportation in Glacier National Park	21.00	30.00
Hotel and transportation at Mount Rainier, including visit to one of the glaciers	7.00	13.50
Hotel and transportation at Crater Lake	17.50	26.00
Hotel and transportation in Yosemite	16.00	54.00 (c)
Hotel and transportation in Sequoia	12.50	18.75
Hotel and Rim Drive, Grand Canyon	10.00	37.00
Total, exclusive of sleeping-car fare, meals on trains, and lodging and meals at San Francisco and San Diego	326.00	432.25
Lower berth in standard sleeper, 14 nights	41.75	41.75
38 meals on trains at \$1.00	38.00	38.00
Expenses in San Francisco: hotel, \$3.00 per day; meals, \$3.00 per day; car fare and admission to Exposition, \$1.00 per day	14.00	28.00
Expenses in San Diego: hotel, \$3.00 per day; meals, \$3.00 per day; car fare and admission to Exposition, \$1.00 per day	14.28	14.28
	107.75	135.75
Total expenses	\$433.75	\$568.00

NOTE a—Round trip rate quoted is via Great Northern from Billings.

NOTE b—Fare from Greeley by automobile, \$7.00.

NOTE c—Including Glacier Point and one of the Big Tree Groves.

LENGTH OF TRIP			
	days	days	days
Chicago to Rocky Mountain National Park	2	At Exposition	2
In Rocky Mountain National Park	3	To Yosemite	1
To Yellowstone	2	At Yosemite	2
In Yellowstone	5	To Sequoia	2
To Glacier National Park	1	At Sequoia	2
In Glacier National Park	3	To San Diego	1
To Mount Rainier	2	At San Diego	2
At Mount Rainier	2	To Grand Canyon	1
To Crater Lake	2	At Grand Canyon	1
At Crater Lake	3	To Chicago	3
To San Francisco	2		3
		Total days travel	43 56

TRIP D

From Chicago and Return to the Rocky Mountain National Park and the Yellowstone.

(FOR PERSONS NOT VISITING THE EXPOSITIONS)

	A Glance-At-Each Trip	A Chance-To-See Trip
	11 days	15 days
Round trip railroad fare, exclusive of side trip to Rocky Mountain National Park	\$ 44.50	\$ 44.50
Railroad and automobile fare from Denver to the Rocky Mountain National Park via Estes Park	9.60	9.60
Hotel and transportation in the Rocky Mountain National Park	34.50	45.50
Hotel and transportation in Yellowstone	14.25	41.25
Total, exclusive of sleeping-car fare and meals on trains	\$102.85	\$140.85
Berth in sleeper, Standard Lower, 6 nights	17.00	17.00
14 meals on trains at \$1.00 each	14.00	14.00
	31.00	31.00
Total expenses	\$133.85	\$171.85



JOSHUA L. BROOKS, 1st Vice-President.

JOSEPH SHATTUCK, President.

JAMES L. DOHERTY, Director.

THREE NEW ENGLAND BUSINESS MEN, MEMBERS OF THE SPRINGFIELD, MASS., BOARD OF TRADE, WHO AIDED IN SETTLING THE STREET RAILWAY STRIKE.

How One Board of Trade Settled A Strike

BY GEORGE E. FOSS.

The following direct and simple account of a fine, illuminating example of what a commercial organization can do in community interest has been prepared for THE NATION'S BUSINESS by the Secretary of the Board of Trade of Springfield, Mass.

THE trolley men on the street railway system of Springfield, Mass., called a strike on March 31, 1915, because the railway company would not reinstate three conductors who had been discharged for alleged inaccurate returns.

Under the terms of an agreement between the company and the men made about two years earlier, all differences were to be submitted to arbitration. The trolley men contended that, since the company had not installed transfer registers, it was not possible for a traveling auditor or "spotter" to determine whether or not all the cash fares had been rung up. Consequently there was "reasonable doubt" as to the guilt of the discharged men. The union demanded that the men be reinstated and that transfer registers be installed in all cars. The company refused to reinstate the discharged men, but was willing to submit the matter to arbitration, and at once ordered transfer registers for all cars.

When the strike was declared, the Board of Trade immediately took up the matter with the officials of the Boston & Albany, Boston & Maine and New York, New Haven & Hartford railroads. These lines made arrangements for running shuttle trains north, east, south and west, stopping them at all stations and convenient places between stations to help meet the emergency. The number of "jitneys" took a very sudden rise, private cars usually carried their full capacity and many folks walked.

Regular Machinery of Settlement Fails

After the transportation facilities of Springfield and vicinity had been tied up for two days, the trolley men yielded to the public need for service and returned to work pending an adjustment of their differences with the company.

The State Board of Conciliation and Arbitration at once met in Springfield. They held a series of joint conferences with the trolley men and the officials of the company, but were unable to effect a settlement.

The directors of the Board of Trade, at a special meeting on April 20, appointed a conference committee, consisting of Joseph Shattuck, President of the Board of Trade, Chairman; Joshua L. Brooks, First Vice President;

Adolph W. Gilbert, Third Vice President; James L. Doherty, Director; and Horace A. Moses, Director.

The evening papers of April 30 stated that the trolley men had decided to call another strike the next morning. This conference committee met on the same evening in company with the members of the state Board of Conciliation and Arbitration. Three hours later the Directors of the Board of Trade conferred with a member of the national labor organization and the local committee of the Trolley men's Union.

Enter the Board of Trade

The directors, through the president and their spokesman, James L. Doherty, placed before the committee the public interests at stake and called their attention to the great inconvenience, loss and suffering to the entire community that must result from a strike. The committee expressed its solicitude for the public and the earnest desire of the men to avoid the troubles sure to follow a strike. At a conference then held with the officials of the Springfield Street Railway Company, the directors urged the community interests and the misfortunes attending upon a strike as well as the duty of both sides to aid in avoiding it. The railroad officials, through the president, expressed their agreement with the sentiments of the directors.

As the result of these exchanges of opinion by the Board of Trade with the trolley men and the railway company, the strike, which was to have gone into effect the morning of May 1, was called off. Furthermore, the local committee of the Trolley men's Union promised the Board of Trade that no future strike would be called without first notifying that body.

Another series of negotiations through the State Board of Conciliation and Arbitration followed, at which the trolley men submitted four distinct proposals, to one put forward by the officials of the company. The latter refused to consider any of the proposals presented by the men, and the representatives of the union declined to consider the counter-proposal of the company. On the afternoon of May 4, the chairman of the State Board notified the Board of Trade

that negotiations for the settlement of the trolley controversy had been terminated. The officials of the railway company and those of the Trolley men's Union declined to make any additional proposals.

The Conference Committee of the Board of Trade, however, was persistent. It met with the State Board on the same afternoon. Later in the evening it conferred with the committee of the Trolley men's Union, and then with the officials of the street railway company. Each side agreed to receive the Board of Trade suggestions for adjusting their difficulties.

The Board of Trade's committee held a series of daily meetings, and finally drew up a plan of settlement which was submitted to the street railway company and the officials of the union at a joint meeting at the Board of Trade rooms on the afternoon of May 8. Upon receipt of the copies of the plan, both sides withdrew for consideration of the proposed plan of settlement, which was as follows:

The Board of Trade Suggestions

"It appears there is and has been in existence, with binding force, between the Springfield Street Railway Company and the local Trolley men's Union a contract containing the following clause:

"1. The company agrees to treat with the properly accredited officers and committees of the association on all grievances that may arise. If any such grievances affecting the employment of members of the association cannot amicably be adjusted, they shall be submitted to a board of arbitration, matters affecting the organization of the company, or the general policy to which it may be obligated to be accepted when they do not affect the employment of members of the association.

"The board of arbitrators is to be selected in the following manner:

"The company to select one and the association to select one, and the two thus chosen to select a third. A decision of a majority of said board to be final and binding on both parties to this agreement.

"It appears also that, within the last few months, three employees of the company, occupying posi-

tions as conductors, members of the union, have been discharged because of alleged irregularities in their financial returns to the company.

"The union objected to the discharge upon the ground that the system under which they worked on the cars did not fairly protect the men from suspicion and sometimes from evidence of dishonesty. The defect in the system complained of was the lack of transfer registers on the cars. It says that this failure to equip has been brought to the attention of the company at different times for several years and has been a matter of discussion and consideration in the last arbitration proceedings between the company and the union.

"The union contends that pending the equipment of the cars with transfer registers, no men should have been discharged and the discharged men should be reinstated.

"The company agreed to equip the cars with registers and offered arbitration of the question whether or not the men should be reinstated.

"The union insisted that, in view of the company's failure to equip cars in the manner indicated, that the question of discharges should not be arbitrated, but that the men should be reinstated.

"The company has consistently and steadily declined to reinstate the men unless it should appear upon arbitration that they were entitled to be reinstated. The position the company has maintained on several grounds, but notably upon that of discipline.

"This committee has come upon the scene by reason of this deadlock and its offer to suggest some plan of breaking the deadlock has been accepted cordially by both of the parties. It submits the following plan:

"The discharged men shall not be reinstated until suits for the recovery of the money of the company alleged to have been taken have been brought in the Superior Court against the men in question and findings made therein, and then only in the case or cases in which such findings shall be for the defendant.

"Suits shall be brought by the company forthwith and tried at an early Jury-Waived Session of the Superior Court in this county.

The Needs and Prospects of the Railroads

The Present Difficulties and Outlook of American Railroads, as Some of their Presidents See Them

THE NATION'S BUSINESS has asked the presidents of a number of the larger systems to answer for its readers these questions: 1. What do the railroads need most just now? 2. What are their prospects, as you see them? The replies received are not a unit. Those available for publication by June 15 are represented by the opinions of the following officials.

Relief from Embarrassing Legislation

SO far as the need of the railroads just now is concerned, I would say: The immediate need of the railways is a larger gross revenue. This can be produced either by more traffic at present rates, or by a much higher rate on existing traffic. The first solution is dependent upon the condition of general business. The latter is a function of governmental authority. The railroads need relief from further embarrassing legislation. Regarding the immediate prospects of railroads in the United States, I think in general the probability is increasing that railway needs will be promptly appreciated by the public. Public understanding of the railway situation is becoming clearer and the public attitude more sympathetic.

J. KRUTTSCHNITT,
Chairman Executive Com.
Southern Pacific.
New York City.



JULIUS
KRUTTSCHNITT
*The Southern
Pacific.*

Need to be Understood by the People

WHAT do the railroads need most just now? They need most, just now and for the future, to be correctly understood and appreciated by the people, as the most essential element in the present and future commercial prosperity of this country and they need to have accorded to them fair, just and reasonable treatment by the public, by legislatures, commissions and other regulative bodies, in order that they may expand, develop efficient methods and improve their service. It is believed that the need is appreciated by the great majority of the principal shippers and travelers, but there are many others—

and probably a majority of people—whose daily affairs are so remote from the details of commerce that they often constitute control, without knowing or appreciating that in the end they will be vitally injured. The railroad is the artery which carries the life blood of the nation. If it is impaired all parts of the body will suffer. As in the human body, the millions of capillaries and most remote members are those which will in the end suffer first and most. American railroads, like the American pioneers, have been the most potent factor in advancing civilization and promoting commerce in the history of the world.

Unfortunately much legislation, although doubtless enacted in good faith, has been enacted without a detailed knowledge of the situation, or without accepting the advice or suggestions of experts, or even of the Government's own commissions. Such legislation, of course, impairs efficiency, demoralizes discipline and imposes un-

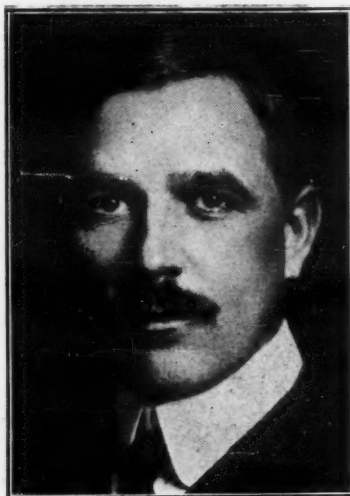
necessary expenses both upon the public and upon the railroads, without benefits to either. So-called "Full Crew Bills" and many similar regulations are unfortunate waste of money. This is not intended as a criticism of the need of regulation. What we appear to need is regulation based upon intimate knowledge of the problems of commerce and intimate knowledge of the great problem of railroad transportation, and proper co-ordination of the various regulating bodies.

What are the prospects, as I see them? If this refers solely to the immediate commercial outlook, it is a most difficult question to answer, because the commerce of the world is now being affected by great foreign catastrophes beyond the scope of human prediction.

Viewed purely from the standpoint of our nation, our situation appears to be most fortunate. We are at peace, with prospects of continuing so. The harvests promise to be abundant and more than sufficient to provide for all our needs. In spite of the foreign situation, which somewhat embarrasses our trade, our home business appears to be active with indications of constant growth.

From a purely railroad standpoint, the prospects will be determined largely by the attitude of the public toward railroads, with respect to the eliminating of legislation and regulations which are unremunerative to the stockholders and also eliminating regulations which are not beneficial to the public as a whole.

A. H. SMITH,
The New York Central Lines.
New York City.



Photograph by Pach
A. H. SMITH
The New York Central.

"More Traffic and Less Regulation"

ANSWERING your questions, I would say that, in my opinion, the railroads of the United States need just now more than anything else, increased traffic and less regulation. Until such traffic is forthcoming, there will be, I fear, small improvement in existing conditions, although the harvesting of a good crop such as now seems in prospect, will undoubtedly help much.

F. D. UNDERWOOD,
The Erie.
New York City.



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Underwood
F. D. UNDERWOOD
The Erie.

The presidents of a number of the eastern railway systems have written expressing the same general opinions as President Underwood of the Erie and President Willard of the Baltimore and Ohio. For reasons which seem good to them, however, they have declined to have their words quoted.

Thinks the Prospects are Hopeful

THE railroads of the United States need just now, first of all, I think, more business. Their prospects, as I see them, are hopeful. I could not say to your readers and the country in a greater number of words any more than is conveyed in these three—"more business" and "hopeful."

D. WILLARD,
Baltimore, Md.



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DANIEL WILLARD
*The Baltimore
and Ohio.*

Railroads Share the General Depression



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JAMES J. HILL
*The Great
Northern.*

REPLYING to your questions regarding the needs and prospects of the railroads of the United States, I would say that, in my opinion, there is nothing in sight going to show that general business in this country, outside of war material for export, has improved, or is improving.

JAMES J. HILL,
St. Paul, Minn.

Jury trial is not to be requested in any case, or, if requested and had, shall have no bearing upon this situation. The defendant asking such jury trial shall thereby forfeit his right to be reinstated. Finding in favor of the company for any sum against a defendant shall be justification of the company's discharge of such defendant. For the purpose of giving this plan full effect the finding of the trial judge shall be conclusive.

"If it should appear to the company that the respective amounts expected to be recovered in such suits do not warrant demanding damages sufficient to give the Superior Court jurisdiction, then the suits in question may be brought in the Police Court of Springfield and the finding of the judge of such court shall have all the effect provided herein for finding of judge of the Superior Court.

"This offers an impartial tribu-

nal to determine the questions at issue. Determination by a single justice of a court rather than by court and jury seems nearer by analogy to the methods of arbitration provided for in industrial contracts.

"This committee offers this plan, believing that its acceptance will alleviate the present strained relation between the parties, obviate the possibility of a strike and generally clear the atmosphere while providing for an effective determination under the rules of civil procedure of the question whether or not the money of the company has been illegally taken by the discharged men.

"The committee offer this as meeting a situation which ought not to exist and should not have been created. They are emphatically of the opinion that it should not be considered as a precedent and that public policy would not

be served by the requirement that men should be found by judicial determination to have taken the property of the company before discharge could be had upon that ground.

"It is the opinion of the committee that a method should be agreed upon by the parties by which their disagreements hereafter may be determined without resorting to the circuitous and expensive method provided in the present contract for arbitration.

"The committee believe that public policy would be better served if contracts hereafter provided a method for the determination of disagreements with the tribunal to make final determination designated therein. Such designation could be made at a time when no issue was present for decision with greater deliberation and less friction than on the eve of a public

controversy between the parties.

"The committee are firmly of the opinion that more cordial relations must exist between the management and the members of the union who operate its cars before the public will receive the service to which it is entitled or the company get the proper return for its investment."

The Victory of the Board of Trade

On the same evening sealed replies from both sides were received by the Board of Trade, agreeing, without proviso, to the terms proposed. An officer of the executive committee of the national organization of trolley men, an officer of the Springfield Street Railway Company and the Chairman of the State Board of Conciliation and Arbitration expressed hearty appreciation of the efforts of the Board of Trade in the settlement.

What Business Can We Do With the Balkans?

The Needs of the Near East and What They Offer to American Commerce

By SOTERIOS NICHOLSON

Mr. Nicholson, an international lawyer, a member of the Washington bar, is a native Greek. He is thoroughly familiar with economic conditions throughout the Balkans

THE mutual benefits which will be derived in the end both in quality and in quantity from trade between this country and the Balkans, will be enormous, if American manufacturers and merchants will see their way clear to engage in such trade from the geographical point of view rather than the political ownership of the ground itself in that region. The map of the Balkans may be changed before the present European war is ended. The country, in any event, will remain as much undeveloped as it is now, and in fact will reveal even more opportunities for trade in that part of the globe. The Balkan countries will present at the conclusion of the war a field of virgin soil, and he who sows now will reap a hundred-fold.

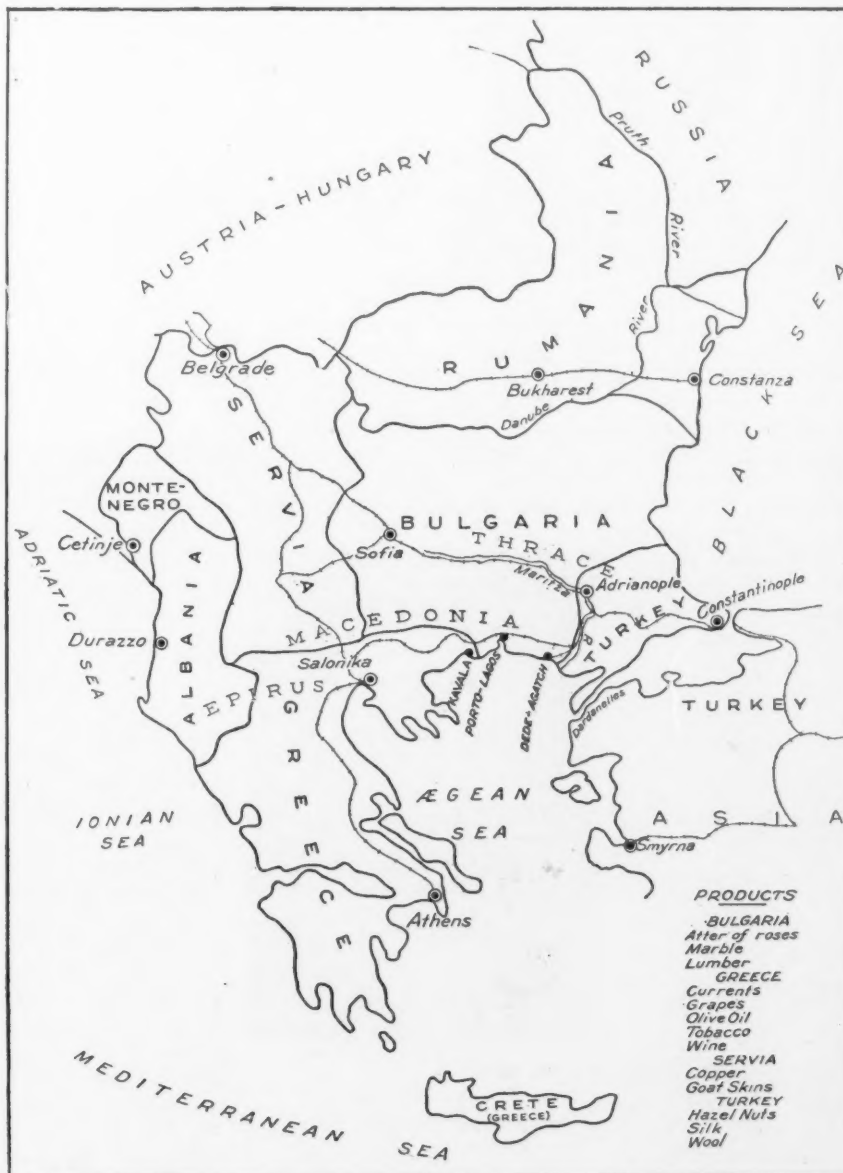
By the term Balkan States we mean Greece, Turkey, Bulgaria, Serbia and Montenegro. From the standpoint of actual and prospective American trade, however, the most important of these are Turkey and Greece. It is true that Asiatic Turkey does not form a part of the Balkan peninsula. It seems impossible, however, to appreciate correctly the situation in European Turkey unless Asia Minor is considered as well.

The Scope of Balkan Commerce

Trade relations with the Balkans divide themselves naturally into the following heads: (1) Agriculture, (2) Manufacture, (3) Commerce, and (4) Public Works.

The population of the Balkans will prosper only insofar as they cultivate their soil to the best advantage. Land in Asia Minor, Macedonia, Thrace and Bulgaria, is fertile as it is in few other places on the surface of the earth. Agriculture in these regions, however, is carried on under the most primitive conditions. The plow used is extremely crude and old fashioned, oxen and buffaloes are still used, and the rotation of crops is scarcely known. Nevertheless, with the dawn of the new era the Balkan peasantry is beginning to see what possibilities of wealth there are in the scientific exploitation of the soil. Intensive as well as extensive cultivation is now fairly well under way. For all this, new machinery will be needed and America can best supply this. The Balkan peoples stand in urgent need of agricultural implements of all kinds, and it is a widely recognized fact that the United States manufactures the best.

The second opportunity for trade between the United States and the Balkans is in manufactures. At present there is comparatively little manufacturing in the Balkans. As a consequence, people are compelled to import almost all manufactured articles. Every article of dress, all kinds of machinery, and all implements of building construction are imported from European countries. The people of the Balkans send their wool, for example, to England, where it is manufactured into clothes. Then they buy it back at



THE NEAR EAST; THE BALKAN STATES, WHICH OFFER ATTRACTIVE MARKETS FOR AMERICAN BUSINESS.

five or six times its original price. Why should Europe be privileged as against America in this respect? In due time the Balkans will propose to manufacture their necessities themselves, but they have not the capital necessary to the establishment of such industrial plants. Hence, foreign capital is bound to be called in. Here again is America's chance. In all the Balkan States, mills, weaving factories, electrical plants, shops for the manufacture of agricultural implements and different tools, and various utensils for household use, will be needed. Here is a wide field for

the investment of American capital and administrative ability.

What We Could Exchange

Thirdly, we come to the existing commercial relations between this country and the Balkans. The United States is engaged only to a very small extent in commerce with the Balkan States. They buy very little from us; we buy very little from them. Nevertheless, there are goods of which we Americans produce more than we need, and which the Balkan States are obliged to import. We can send to them leather, boots, shoes, rubber over-

shoes, woolen cloth, ready made clothes, sewing machines, typewriters, bedsteads, cotton, electrical machinery, iron bars and beams, steel parts for the erection of steel plants, mineral products, and petroleum. With respect to the last named, we will have to compete with Russia and the Anglo-Persian markets. With respect to wheat we will have to compete with Russia and Rumanian markets. Greece imports all of her coal and lumber. Up to the present time Greece has been the best customer of the United States, purchasing many millions of dollars worth of all articles of commerce.

But there is ample opportunity for building up an import as well as an export trade with the Balkans. Turkey produces mostly hazel nuts and wool; Greece, currants—the best in the world—tobacco, figs, olives, olive oil, grapes and wine. Her newly acquired territory of Kavala produces the best tobacco in the world, heretofore known as Turkish tobacco.

Serbia exports copper bars and goat skins; and Bulgaria lumber, raw hides, and rose-water.

Raw material from abroad is forming a steadily growing share of the requirements of the manufacturers of the United States, and in this respect the Balkan States can furnish raw material for textiles and silk, ore, tobacco, leaves, hides, marble and magnasite.

Concessions to European Concerns

Now as to public works in the Balkans; or in other words, the exploitation in every way of the natural resources of these countries. They have the goods to be exploited, and we have the capital with which to exploit them. In Asia Minor, communication has until now been carried on mostly by means of beasts of burden, ox-carts and crudely-built carriages. With the advent of the new regime, the nations woke up to a sense of their deficiencies and evinced a strong desire to rectify them. Here Europe saw its chance. One after the other, Germany, France, England and Italy secured concessions with respect to the right of railway construction. France acquired the right of the Samsoun-Sivas railway, and Italy those of Attalia. An Anglo-German concern secured the right to irrigate the vast and fertile regions of Mesopotamia. Some time ago Germany also was officially granted the right to construct the Baghdad Railway, a project which undoubtedly ranks among the greatest of modern engineering undertakings. Why has not the United States figured in these transactions?

Coming to Greek territory, it is apparent to every one who can read the signs of the times, that Macedonia is destined to become one of the most thriving trading centers in Southwestern Europe. But as yet it has scarcely been touched. A vast net work of railways must soon be built. The Greek Government is about to finish connecting



(Photograph loaned by "Atlantis," the Greek newspaper of New York.)
THE PORT OF KAVALA, THE OUTLET FOR THE "BEST TOBACCO IN THE WORLD."

Training Men For Our Foreign Service

The Purpose of the Conference in Washington in October

BY GLEN LEVIN SWIGGETT

Prof. Swiggett is Assistant Secretary of the Second Pan American Scientific Congress and an authority on Latin American affairs.

THE Pan American Financial Conference will undoubtedly be an object lesson of great value to our business men. It may create a wide sentiment for the early establishment of foreign relation courses



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PROF. GLEN LEVIN
SWIGGETT.

Without a conversational use of Spanish or Portuguese and with only a slight knowledge of Latin American countries, it must have been very difficult for our representative bankers and business men at the conference always to give or receive the information necessary for bringing the conferees en rapport.

Our Lack of Spanish Can be Supplied.

This can be remedied only by a readjustment in our educational system which will permit proper emphasis upon studies necessary for preparation for foreign service, commercial and consular. A more widespread study of the commercial languages, notably Spanish, will be helpful. Every important foreign trade discussion of this past winter has plainly revealed a strong demand from business men for Spanish. This demand, however, is not yet felt in the schools and may not be for some time unless

enlightened American business men insist on the early introduction of Spanish and its instruction according to proper methods.

To illustrate such need, I take the liberty of giving here some general statistics in advance of their publication in a bulletin on "The Status of Spanish and Portuguese" which I am preparing for the national Commissioner of Education. The high schools, public and private, and colleges of the United States now have a school population of about 1,800,000. Of this total only about 70,000 are now studying Spanish. Yet, without a speaking knowledge of this tongue, Pan American solidarity is as the tissue of which we weave our dream fancies.

The Coming Conference in Washington

The leading educators of our country, particularly a number of college executives, are becoming keenly interested in the possibilities offered by the introduction of such courses for wider usefulness of their institutions. This may be due, in part, to the increasing interest and demand from American business men who have been aroused by the war in Europe to the necessity for such studies in our schools.

At any rate, the leading educational institutions of our country, serving a constituency with potentiality of real foreign trade interest, are accepting the invitation to an educational conference on foreign service training which the Commissioner of Education, Dr. P. P. Claxton, has called, on behalf of the cooperating committee, for October 4 and 5 of this year, meeting in the Pan American Union building in Washington on invitation of the Director General.

The cooperating committee of this conference, endorsed by the leading business men and the for-

eign relation experts of government and business, include John Barrett, Director General of the Pan American Union, Philander P. Claxton, Commissioner of Education, Wilbur Carr, Director of the Consular Service, and Edward Ewing Pratt, Chief of the Bureau of Foreign and Domestic Commerce. All of these are recognized national leaders in this movement for the establishment of adequate educational facilities along this line with a consequent improved foreign service for our country's government and business. Because of his interest in and intimate acquaintance with the object for which the conference is called, the writer of this article has been asked to cooperate as organizing secretary of the conference.

For the first time in our history an opportunity will be offered, under the most auspicious conditions, for our foreign relation experts to state precisely our present and future needs for foreign service men. It will also be a chance for a frank and positive statement from our leading educators as to the present educational status with regard to meeting these needs. Finally, we will have a constructive discussion as to the best practicable means for meeting these needs in the future. Representatives from some of the leading business organizations, particularly such as have foreign trade connections, public service men and scholars concerned with the study of foreign relations, will be invited to the conference to take part in its deliberations.

A Campaign to Educate Educators

A careful study of the foreign service training in other countries convinced me several years ago that, educationally, our country must soon recognize the growing importance of courses for foreign trade. I have been endeavoring to create sentiment for a conference

that might lead, through constructive discussion of foreign relations problems by our leading educators and foreign relation experts of government and business, to an early and more general establishment of courses in our schools. I have urged also the establishment of special schools for that purpose.

From the beginning of this endeavor, I have had the counsel and support of the Director-General of the Pan American Union, the Commissioner of Education of the United States, the Director of the Consular Service, and some of our leading educators, notably two such eminent Pan Americanists as Dean Kinley of the University of Illinois and Dr. L. S. Rowe of the University of Pennsylvania. Both of these gentlemen have had the singular good fortune to be associated with President Edmund James, through whose vision and leadership may be first seen anything like a real and dependable interest in this country in commercial education, fundamental to all foreign service training. Since this date, 1890, there have been among educators periods of almost complete suspension of interest in the very fundamentals of training for foreign trade. An occasional recrudescence, as in the months following the war with Spain, have alternated with these.

There is now, however, a marked interest for foreign service training courses of instruction in some schools and colleges and, even though statistics might show this negligible, it is significant for the country as a whole. These courses are included in a special commerce or business course in a few of our very largest universities, it is true. The courses as given, however, are largely due to the personal interest of the instructors themselves and may be called "sports" in the field of education.

Athens with the European railway system via its newly acquired territories. Also the southern parts of Greece, such as Peloponnesus, require more railroads; the same may be said as truly with respect to Serbia and Bulgaria. The possibilities of mining in those countries are also of great interest. There are to be found ores, rich in iron, argentiferous lead, coal and copper.

There is, furthermore, a great demand for the construction of roads, and the erection of big solid buildings in the countries of the Near East. A French company has already secured the right to construct roads over a large section of Asia Minor and there is still much to be done in this line, in the hilly and rough regions of Macedonia, Epirus, Thrace, Serbia and Asia Minor.

Greece is teeming with antiquities and spots of archeological interest. Thousands of foreigners visit its famous monuments annually and the number would be augmented by far if proper accommodations were provided for them. Better hotels and centers of diversion must soon be erected on all those sites which interest the tour-

ist. Here, then, is the chance for some capitalistic concern to undertake to dot all those places hallowed by ancient associations with commodious buildings intended to attract the travellers from abroad.

There is a considerable amount of work to be done in the way of opening up harbors, organizing transportation by means of automobiles, etc. The Greek Government is looking for a contractor who will construct a port at Kavala. The port at Salonika is soon going to be enlarged. Bulgaria intends to construct ports at Porto-Lagos and Dede-Agatch. The islands of the Egean which are extremely rich in industrial possibilities, are crying out for exploitation.

There is no doubt that the United States, par excellence, is qualified to lead in the exploitation of the resources of the Balkan countries.

Advantage of a Merchant Marine

The main obstacle to communication with the Balkan States is the distance and heavy freights. Both of these could be avoided by the contemplated American merchant marine. Direct communication should be established not only with the great European countries, but

with the smaller Balkan States as well. In this respect we have been severely handicapped for years in our struggles for mastery against British and German producers. The concessions which we have seen granted to the European countries by the Balkan States and not to the United States is the reason that the former make loans of capital to the Balkan Governments, in consideration for which services they are awarded important concessions, whereas, the United States has thus far not invested capital to a great extent in the Balkans. To all appearances the European merchant marine is going to be materially crippled for some time to come. Hence this is the hour for the American merchant marine to take possession of the oceans and of the seas. Furthermore, increase in export trade must run parallel with enlargement of the import trade so that the ships carrying away goods will rest assured that they will be provided with return cargoes.

Then we need to provide banking facilities for our traveling men and for the trade in general. American banks of discount and investment would be advantageous. The manufacturer must work hand

in hand with the banker. America should extend credit to those countries. Indeed, the chief requisite in the Balkan States, the seed we want to sow upon the Balkan soil, is capital. Thus only can its resources be exploited.

A number of cities have been recommended by the Secretary of Commerce to serve as the seats of commercial attaches whose function it is to protect and foster commerce between this country and the foreign markets. But, to my regret, one finds not a single Balkan city in the list. A commercial attache in either Athens or Constantinople is really a necessity for American trade.

The opportunity is ample and the cause urgent. America has already started upon a moral and intellectual conquest of the Near East. Its missionaries are spreading far and wide the torches of American culture and life. The Balkan States have started upon an industrial conquest of American territory. They sent annually hosts of their people to this country to engage in honorable and profitable labor. We are called upon to strengthen these ties by bands of commerce and trade.

Can We Be Independent of German Dyestuffs?

How Shall We Get a Supply of Dyestuffs for Our Textile and Other Industries?

By THOMAS H. NORTON

Prof. Norton is a special agent of the Department of Commerce, and has published various reports on American and European chemical industries.

NO single result of the European war threatens to affect American industrial interests so seriously and so extensively as the prolonged interruption in the supply of artificial dyestuffs, ordinarily received from across the Atlantic, chiefly from German works. For some weeks after the outbreak of hostilities, shipments of coal-tar colors ceased, and thousands of mill managers, in every section of the country, were plunged into anxiety at the prospect of dyestuff famine.

By dint of strenuous efforts on the part of importing agencies and the representatives of powerful textile organizations, the inward movement of foreign dyes was gradually restored to fairly normal proportions. The amount of artificial dyes exported from Germany to the United States was restricted by the German authorities, so that it was well within the quantity ordinarily required by American consumers. The object of this measure was to prevent effectively any reshipment of colors to Great Britain or France, to meet the very pressing needs of a multitude of consumers in those countries, also dependent upon the German source.

These shipments of the German wares fairly covered most of our industrial needs until the British Order of last March suddenly arrested the current movement. Since March 19, no coal-tar colors have reached American ports, except some small quantities of Swiss dyes. The stocks in the warehouses of importing firms have steadily disappeared since then. Before the end of the current month they will be practically exhausted. By the close of July most industrial establishments will likewise have exhausted their reserve stocks of artificial dyes.

What a Dyestuff Famine Means

In order to appreciate what a dyestuff famine means, it is necessary to analyze our dependence upon artificial dyestuffs. A very large group of prominent industries are absolutely and directly dependent upon color effects. In the first rank come our enormous

textile interests, cotton, silk, woolen, linen, jute and other fibers. Then follow paints, lakes and pigments, varnishes, ink, leather articles, paper, feathers, artificial flowers and foliage, straw goods, wood and wicker work, horsehair, bristles and felt, buttons, shoe cream, glue and gelatine, celluloid, soap, wax, paraffin, stearin, various oils, and other minor articles.

A great variety of the industries, in addition, are closely dependent upon the above for all that concerns the element of color. Prominent among these are the printing trades; automobile and carriage manufacture; implement manufacture; the upholstery trade; millinery, dressmaking, etc., etc.

In the cost of producing textiles the average value of the dyestuffs employed is not much above 1 per cent. This 1 per cent, however, is so absolutely indispensable, that any interference in the ordinary supply of the colors required is nearly as serious as would be a sudden stoppage in the current receipts of the fibers themselves, which form the basis of the great textile branches.

Our Dependence Upon Foreign Dyes

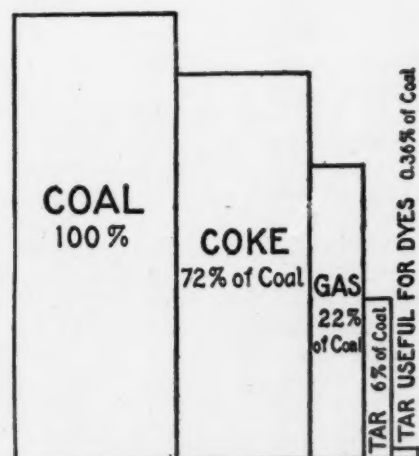
Sixty years ago, American dyers used the indigo and cutch of India, the madder of Turkey, the cochineal, logwood, fustic and other dyewoods of the tropical countries to the south of us, and a variety of minor vegetable dyestuffs, along with several mineral colors, such as Prussian blue, chrome green, yellow and orange, and iron buff, in meeting the general demand for tinctorial effects.

The advent of the artificial dyestuffs, derived from a few of the many constituents of coal-tar, has revolutionized the color industry. The natural dyestuffs and the mineral dyes have gradually been displaced from their positions, and reduced to minor and subordinate rank, if not forced to disappear almost completely from use.

In their place the dyer has at his command nearly a thousand distinct dyes, most of them in a variety of modifications and shades, giving him a marvellous range of tints,

many of hitherto unknown brilliancy. In frequent instances, the new dyes possessed a degree of fastness to light, washing, etc., lacking in the majority of natural dyestuffs. In many cases they were capable of direct union with vegetable and animal fibers, without the aid of a mordant. To cap the climax, methods were found to manufacture synthetically indigo and madder, the two natural dyes possessing the highest degree of fastness, and they appeared upon the world's markets in standardized forms, at prices which precluded competition on the part of oriental growers.

American inventive genius and industrial enterprise have had practically no share in the evolution of this important industry. Sixty years ago our dyers imported nearly all of their materials from Asia, South and Central America and the West Indies. Today they purchase the great bulk of their colors from a few immense factories situated on or near the Rhine.



A GRAPHIC COMPARISON OF COAL AND ITS DISTILLATION PRODUCTS.

What is the explanation of this remarkable fact? In nearly every other field of industrial effort American enterprise is at the forefront, in iron and steel, in textiles, in electrical devices, in machinery, and in the rest of a long list.

Cause of Dependence on Foreign Dyes

And yet, despite all these favorable conditions, our domestic artificial dyestuff industry has never really emerged from its swaddling clothes. A small number of works, employing less than 1,000 operatives, have produced for some years a restricted number of staple colors, using, however, as raw material, semi-manufactured products chiefly of German origin, the so-called "intermediates." These latter, nearly 300 in number, are made by more or less complicated processes, from the ten "crudes," benzol, carbolic acid, naphthalene, etc., found among some 155 compounds, constituting ordinary coal-tar.

Our American artificial color industry has consisted practically in "assembling" these intermediates

to form finished dyestuffs. It was quite similar to the German "manufacture" of American sewing machines, the assembling in Germany, of the many delicate and finely standardized parts, made in American works, which, united, constitute the triumph of our inventive skill, recognized the world over.

In the case of coal-tar dyestuffs, conditions are reversed. Germany produces the intermediates, in the production of which the chief difficulties connected with the manufacture are successfully overcome. In the United States, as well as in other European countries, outside of Germany, the domestic dyestuff industries have attempted little beyond "assembling" these intermediates, or effecting the relatively simple transformations, requisite to produce a finished dye.

A ton of a certain intermediate, possessing in itself no tinctorial power, may cost \$1,000. By the use of chemicals worth \$5, and a simple reaction, there is a complete transformation into a valued dyestuff. Not only the United States but also Great Britain, France, Russia, Italy, Austria, Switzerland, Belgium and Holland, have all been dependent upon Germany for the bulk of the intermediates used in the very limited domestic manufacture of coal-tar colors in the various countries.

German Dominance in the Industry

The American production of dyestuffs is not only dependent upon Germany for its raw material, but its output is limited. It supplies ordinarily not over 20 per cent of the domestic consumption of artificial colors. The remainder is furnished chiefly from the German works. Very small amounts come from England, France, Belgium and Holland. A larger quantity, (over \$900,000 in value annually), is purchased from Switzerland. But Switzerland and the other countries depend, in turn, upon Germany for most intermediates.

In its ultimate analysis we find that the world's production of coal-tar dyestuffs is, or has been, practically under the control of the German industry; further, that this industry consists of a small number of companies, geographically in near proximity to each other, between which the closest possible trade agreements as to prices, territory, methods of merchandising, etc., exist; and still further, that the members of the industry act as a unit in protecting its export interests when threatened by any efforts to increase materially competition in foreign lands.

The German industry, as a whole, presents a remarkable example of what can be attained by the well-balanced union of the highest class of scientific research, exceptional technical and engineering ability, far-sighted financial direction, and a perfect merchandising organization, extending to every country of the globe. All of these factors have been supplemented by the generous cooperation of government authorities, striving to further the expansion



THE WORKS OF ONE OF THE LARGEST AMERICAN DYESTUFF MANUFACTURERS—THE SCHOELLKOPF, HARTFORD AND HANNA COMPANY AT BUFFALO.



THE EXTENSIVE WORKS OF THE BAYER CO., MANUFACTURERS OF DYESTUFFS, AT LEVERKUSEN, GERMANY.

sion of the industry at home and abroad by every possible means.

How a Dyestuff Famine Will Be Met

In a very unwelcome manner the United States, in common with most of the world outside of Germany and Austria-Hungary, is now forced to adjust itself to a complete cessation of the customary supply of German coal-tar colors. This adjustment is made in various ways.

Manufacturers of textile and other wares are simplifying their designs, and diminishing the amount and variety of colors used.

In many mills there is already a pronounced return to the old-fashioned natural dyes. The import of logwood, cutch, fustic, etc., has greatly increased, and the few American works making extracts of their coloring matters, are deluged with orders. The same is true of the group of factories extracting quercitron from the bark of the black oak of Georgia and the Carolinas,—the one dyestuff indigenous to the United States. It is a revelation to many textile industrialists that the chemistry of the natural dyestuffs has made marked progress during the past few decades. New mordants and assistants have been devised, methods of application have been perfected, and, in many ways, it is now possible to make use of the old-time colors with a confidence in the uniformity of tint, and the degree of fastness unknown to the past generation of dyers.

The Department of Agriculture promptly investigated the possibility of securing dyestuffs from sources hitherto overlooked. Already Howard F. Weiss, of the Forest Products Laboratory, has detected the presence, in considerable amount, of a valuable dye in the Osage orange, growing so rankly and abundantly in several sections of the Mississippi Valley. It can be easily extracted, at slight cost, and its value for dyeing both cotton and woolen fabrics has been demonstrated.

The American Coal-Tar Chemical Industry

Most important is the stimulus given to the existing American coal-tar industry to expand and meet the demands of the situation. There is a remarkable degree of activity developed among producers of crudes, of intermediates, and of finished dyes.

The latter category found themselves after the outbreak of war, cut off from the usual supply of intermediates. This meant a serious stoppage in production. They quickly laid their plans, put up

new buildings, and ordered the necessary plant for the production of the most important intermediates, formerly secured from German factories. The largest American establishment making artificial dyestuffs, is now manufacturing double the amount it made before the war.

The manufacture of intermediates by firms not engaged in making dyes, has become a notable feature. For four years one company has made aniline from American benzol upon a modest scale, and in the face of bitter competition and underselling by foreign rivals. It has now largely expanded its plant and is in a position to meet most of the normal demands of the American market as it was before the war. Three other firms have taken up the manufacture of aniline and other intermediates. Their installation is complete and the daily output is steadily increasing. Three other firms are erecting large plants for the production of intermediates. Several of the above contemplate the manufacture of finished dyestuffs at a later date.

Producing Crudes in the United States

This sudden and rapid evolution of an American manufacture of intermediates has involved a corresponding increase in the output of coal-tar crudes. Hitherto there has been little inducement for the tar-distiller to carry on a detailed separation of the various compounds present in coal-tar. Nor has there been sufficient demand for benzol to warrant the erection, on any extended scale, of the requisite scrubbers to effect its removal from the gases evolved in the manufacture of coke.

The sudden need for large supplies of benzol, toluol, naphthalene, carbolic acid or phenol, and the minor crudes accompanying them, has caused the tar industry to multiply its facilities for the isolation of the hydrocarbons and phenols in tar. The higher boiling portion is no longer devoted simply to the impregnation of railway ties; the lower boiling fraction serves other purposes than that of a solvent or liquid fuel.

At the same time many of the great coke works have promptly erected the necessary recovery plants, and American chemical industries have now at their command nearly 50 tons of crude benzol daily, which a year ago was burned as a fuel, or wasted.

The sudden needs of the coal-tar color industry have been reinforced

by the vastly increased demand for toluol and phenol, in connection with the manufacture of high explosives. Trinitro-toluene and trinitro-phenol, or picric acid, are now required in such enormous amounts for the charging of shells, that the price of toluol has increased five-fold, and that of phenol, or carbolic acid, tenfold.

Conservation of National Resources

The stimulus given to the more thorough utilization of the byproducts resultant from the destructive distillation of coal, in the manufacture of coke, is of far-reaching importance in its relation to the conservation of our national resources. At present three quarters of the output of American coke is derived from the old-fashioned type of beehive oven. This involves a low yield of coke, and a total loss of the valuable by-products, gas, tar and ammonia. Even the majority of the modern retort ovens are not fully equipped with recovery plants. Some recover ammonia and tar, but do not separate the benzol and toluol present in the gas, which is used for lighting or heating. In some cases the tar is used simply as a fuel.

The total annual loss to the country, in connection with the existing wasteful practices of coke production, is not far from \$100,000,000. A happy result from this unexpected demand for the by-products, will be the rapid elimination of the beehive ovens, and their substitution by return ovens, with complete recovery of gas, ammonia, tar and benzol.

When coal is distilled, 6 per cent of its weight can be recovered in the form of tar. Of this tar but a small portion, about 7 per cent, or 0.4 per cent of the coal used, is susceptible of utilization in making artificial dyestuffs. The by-products, now wasted in American coke plants, are sufficient to supply the raw material needed for the world's production of artificial dyes.

Possibility of a Complete American Industry

A self-contained independent American coal-tar chemical industry, meeting the country's needs for dyestuffs, explosives, medicinals and perfumes, using as raw material the wasted by-products of our vast production of coke, has lacked hitherto, to complete the cycle of the nation's great, coordinated industries.

The crude material is present in

abundance. The market is here. There is already a skeleton organization for the production. Ability, enterprise and daring are at its service. Capital is available in ample amount. There is adequate tariff protection, (30%) for at least 80 per cent of the artificial dyestuffs hitherto imported.

There is a general consensus of opinion on the part of all concerned that but one obstacle prevents American capital and enterprise from embarking to the fullest extent in creating a national dyestuff industry, adequate to the nation's needs, worthy of her industrial rank.

The One Obstacle

This one obstacle is the dread, or rather the certainty, that on the return of normal conditions in international exchanges, the German dyestuff monopoly will persistently and ruthlessly throttle any attempt at emancipation from its dominance in the American market, by systematic and prolonged underselling, or "dumping," to use the current term. This has been its invariable policy in the past. Its financial resources are so vast, or were ten months ago, that any attempt to engage in commercial warfare would be hopeless, on the part of American capital, unless it were ready to sink in the undertaking many times the amount needed to call the industry into successful existence.

Unfair restriction to trade is now forbidden by statute to domestic manufacturers. Deliberate underselling is no longer possible in our interstate commerce. There is, however, no law which can effectively prevent a foreign monopoly, or combine, from stifling and destroying any attempt upon the part of American industry to dispute its control of our markets.

The question of assuring adequate protection to the legitimate ambition of American enterprise in this field assumes daily a more acute form as public opinion gradually becomes aware of the peculiar and exceptional conditions surrounding this one industry, so conspicuously lacking to the economic completeness of the nation.

Great Britain, France, Italy and Russia are taking active measures to emancipate permanently their industries from the past dependence upon German dyestuff works, as a sole source of supply. Shall the United States, with its much greater consumption of artificial colors, still continue in economic slavery to a foreign monopoly?

Four Years of Postal Savings

AS a fitting climax to the first four years of service, postal savings receipts for the past year have broken all records. During the eight months prior to April 1st, there was a net gain in deposits of \$19,000,000, as against a gain of \$8,000,000 for the same months the year before. Thousands of new accounts have been opened and the millions made up largely of hidden savings have been turned back into the channels of trade at a time when there is pressing demand for every dollar.

The United States Late Comer

The United States was among the last of the great nations to adopt the Postal Savings system. Even the Philippines enjoyed such a service before we did. When finally adopted it grew by leaps and bounds. A casual survey of its vast accomplishments is ample proof of this.

Upwards of 500,000 depositors now have accounts with the Post Office Department and they represent every nationality on earth. In fact, a recent census revealed the interesting fact that approximately forty per cent of the depositors are foreign-born citizens. These imported Americans own more than fifty per cent of the deposits—evidence of the confidence of our newly acquired citizens in the ability and good faith of their adopted country to fulfill its obligations.

The Rapid Advance to Favor

Quite another reason led immigrants, unfamiliar with our language and our business methods, to turn to the government to safeguard their humble savings. This was the disastrous experience many of them have had by the failure of bogus "private banks" officered by swindlers in their own tongue who have so often preyed mercilessly upon their loneliness and credulity.

Postal savings facilities, though first offered to the public but four years ago, are now offered through nearly ten thousand offices with upwards of ten thousand depositories in operation in the United States, Porto Rico and Hawaii. The total of deposits is upwards of sixty million dollars, or an average of \$121 per depositor.

The Postal Savings and the Banks

In the early days of the service many persons believed that postal savings would prove a drain on legitimate banking institutions and thus disturb and embarrass business activities. Experience has completely dispelled that apprehension. It is said by officials of the Post Office Department that they have records which support admission of bankers that the large amount of money now on deposit in the Postal Savings System is made up of heretofore secreted savings which would still be in hiding but for the new postal activity. The government authorities declare there are hundreds of thousands of our citizens who will patronize no savings facility that has not back of it the guarantee of the United States to return every dollar on demand. The solvency and stability of other savings institutions and the larger rates of interest which they offer do not attract them. It is to this class that the postal savings bank appeals and will continue to appeal as the purpose and the ad-

vantages of the service become more widely known.

Postal savings would be amply justified, the Postmaster-General declares, in the encouragement and the contentment it has brought to a half a million persons. But its public service does not end there. The immense amount now on deposit has been released through the banks in the very communities where it was accumulated for the commercial enterprises of those communities—sixty-three million dollars of hidden cash brought into the light and turned into the channels of trade to give additional employment to those who have made such deposits. In this connection it is particularly significant that more than six thousand qualified banks have postal savings funds on deposit as follows:

3,650 National Banks.
1,656 State Banks.
304 Savings Banks.
574 Trust Companies.
23 "Organized" Private Banks.

The upwards of sixty millions on deposit in the postal savings banks is exclusive of nearly seven million dollars, which is the sum withdrawn by depositors for the purpose of buying postal savings bonds.

Plans for the Future

According to an instructive leaflet just issued by the postal authorities, every person in the United States of ten years or over, may open an account in a postal savings bank after July 1st, of the present year. This important extension of service will be made possible by permitting persons living in communities so sparsely settled as not to justify the designation of their local post offices as regular postal savings banks to open accounts by mail. Under the plan adopted for opening accounts by mail, an intending depositor, residing where there is no regularly designated postal savings bank, will apply to his local postmaster who will see that the necessary identification data is prepared and forwarded to a nearby post office authorized to accept deposits. The intending depositor will then be given permission to forward his first and later deposits by money order or registered mail direct to the postmaster at the banking point for which receipts or certificates will be issued. He may withdraw all or any part of his postal savings by mail and on demand, together with any interest that may be found to be due him.

In addition to pointing out the above fact, and that any person ten years old, or over may open an account, the leaflet goes on to say that an account may be opened by a married woman free from any control or interference by her husband. Post office officials are forbidden to disclose to any person, except the depositor, the amount of any deposits. Withdrawals may be made without previous notice. The government guarantees to repay all deposits on demand with accrued interest. The leaflet will soon be printed in twenty-two different languages for distribution through local post offices.

The Postal Savings System has recently passed its fourth anniversary and during these four years of widely diversified events the new service has been put to almost every conceivable test.

WITH THE ORGANIZATIONS

Baltimore's "South American Book"

With the view of attracting South American trade to Baltimore a South American book has been prepared by Secretary A. S. Goldsborough of the Factory Site Commission, under the direction of Mayor Preston. In addition to the new book the Mayor proposes to write a personal letter to all to whom the book will be sent. It will be mailed to the most influential business men of South America and at the same time there will be a reasonable reserve supply for the accommodation of local business houses.—*Baltimore*

A Municipal Auditorium for Oakland

Oakland's new \$1,000,000 Municipal Auditorium, the finest building of its kind west of Chicago, was opened with a three-day celebration from April 30 to May 2, during which it was visited by more than 50,000 persons. Artistically, socially and financially the opening was a big success. Already the Auditorium has been booked for many big attractions besides the 80 or more conventions that will be held in Oakland this summer.—*Oakland Achievement.*

Who Wants to Know about California?

On May 6th the California Development Board formally opened an official Bureau of California Information in the California Building. It is located in a kiosk prepared by the Exposition Company in about the center of the building, between the exhibits of the San Joaquin and Sacramento valleys. Visitors who are interested in California will be given complete and impartial information here. This service will be maintained throughout the year without cost to the Exposition—the entire expense being borne by the California Development Board.—*Chamber of Commerce Activities (San Francisco).*

Minneapolis Goes A-Visiting

Sixty-one towns and cities are to be visited in a period of six days on the Fourth Annual Trade Tour to be conducted by the Committee on Trade Extension of the Minneapolis Civic and Commerce Association. A considerable number of these are points where the trade interests of Minneapolis meet strong competition from Milwaukee, Chicago, St. Louis, Omaha and other centers. All of the towns are within easy reach of this city and their people will be responsive to the interests of Minneapolis as the result of the close acquaintanceship which will be fostered by the visit of from ninety to one hundred Minneapolitans.—*Members' Bulletin, Minneapolis Civic and Commerce Association.*

Buffalo's Biggest Shipment of Iron

A demonstration of Buffalo's ability to produce the highest grade of iron made in the United States was the recent shipment of 600 tons of special pig iron from the Buffalo Union Furnace to the Burden Iron Company, of Troy, N. Y. The trainload sent out was the biggest single day's shipment of this kind and character of iron ever made from Buffalo.—*Buffalo Live Wire.*

"More Daylight" for Detroit

Detroit's adoption of Eastern Standard time is the result of many years of endeavor by a body of Detroit citizens, who, during the last few months have been organized under the name of the "More Daylight Club." Under their direction a whirlwind campaign was carried on. Petitions from every section of the city were secured and presented to the council, and then, as a final argument, the members of the Council went to Cleveland and visited factories and interviewed leading business men, with the result that they, too, came back convinced. The Board submitted a referendum to its membership and the result stood 1,204 for "More Daylight," and 196 against.—*The Detroit.*

A Chance for Smaller Freight

A new through fast freight train between New York and Rochester, for next day delivery of less than carload lots of freight shipped in New York, was announced by officials of the Lehigh Valley Railroad who visited Rochester recently. The party were met at Rochester by M. P. Howell, General Agent, and A. T. Stark, Agent. It was in response to suggestions made by them to the management that the party came. Improvements in freight service urged by them, after interviewing local shippers and representatives of the Chamber, were given to this committee to put into effect or investigate further.—*Rochester Commerce.*

Topeka has an Industrial Survey

Through the industrial survey being conducted by the publicity committee of the Commercial Club under Charles Dillon, facts are being obtained that will prove invaluable. It is a big undertaking that the committee has shouldered but the completion of the survey will be well worth the effort. The firms thus far approached have given members of the committee courteous treatment, and have been glad to co-operate; they have responded liberally in giving the desired information.—*Commercial Club Bulletin (Topeka).*

School Exhibit for Business Men

The commercial department of the high schools, Wm. Bachrach, supervisor, recently held its annual exhibit in the various high schools throughout the city. The object of this public display of the work being done in the commercial department was to enlist the interest of the people in the neighborhood, particularly that of the business men. A number of representatives of business concerns responded to the invitations to be present and were able to judge for themselves the type of training that is being given future candidates for positions. At some of the schools talks were given to the students by prominent business men, members of the Association of Commerce and others. All of which indicates a decided move in the right direction to bring about a closer working relationship between the schools and employers.—*Chicago Commerce.*

ERRATUM

THE NATION'S BUSINESS, JUNE, 1915---PART II, PAN AMERICAN CONFERENCE

Article by Hon. William C. McAdoo, Secretary of the Treasury, Column 1, Last Paragraph

Owing to a printer's error occurring in the last sentence of the paragraph, Secretary McAdoo is made to say:

"Obviously this problem must be solved by private capital in the United States itself, if we wish to become the leading bankers for Latin-America and possess ourselves of the great trade they offer us."

An entire line was omitted. The paragraph as a whole should have read:

"It is of great value to have learned from these delegates from South America (because no one can tell of their needs so certainly as themselves) that the greatest impediment to trade with the United States is the lack of sufficient steamship lines. The conference could not, of course, adopt any plan for the creation of the necessary merchant marine. The delegates from the foreign countries had no power to commit their governments. It is hardly to be expected that private capital in South America can be enlisted in steamship enterprises, in view of the fact that the South American countries have been great sufferers from the European war, and are themselves in need of new financial connections and accommodations. Obviously this problem must be solved by private capital in the United States, or by the Government of the United States itself, if we wish to become the leading bankers for Latin-America and possess ourselves of the great trade they offer us."

Part II

The Nation's Business

Entered as second-class matter, February 18, 1913, at the Post Office at Washington, D. C., under the Act of March 3, 1879

Volume III

June 15, 1915

Number 6—Part II

Pan American Financial Conference

An Illustrated Review
of the Trade Data Brought by the Latin Americans
and the Results of the Conference



Published by The Chamber of Commerce of the United States of America, Riggs Building, Washington, D. C.

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Washington, D. C.

Permanent Constructive Results

Strong Committees Appointed by the Secretary of the Treasury to Continue the Work on a Permanent Basis

International High Commission on Uniform Laws Affecting Pan American Trade and Commerce

Each country represented at the Conference will appoint a number of commissioners to form the International High Commission on Uniform Laws affecting Pan American Trade and Commerce, which is to meet at Buenos Aires, November 1, 1915. The following are the American members of the Commission:

Hon. William G. McAdoo, Secretary of the Treasury, Chairman.
Hon. John Bassett Moore, Vice-Chairman, Columbia University, New York.
John H. Fahey, Pres. Chamber of Commerce of the United States, Boston.
Hon. D. R. Francis, St. Louis.
E. H. Gary, Chairman of Board, U. S. Steel Corporation, New York.
A. B. Hepburn, Chase National Bank, New York.
George M. Reynolds, Pres., Continental and Commercial National Bank, Chicago.
Henry P. Davison, J. P. Morgan & Co., New York.
Samuel Untermyer, New York.
Dr. Leo S. Rowe, Secretary-General, Univ. of Pa.

Arbitration in Pan American Trade

(See article on page 10.)

Special Committee in Charge of Return Visit of American Financiers and Business Men to Latin America

A motion of the Uruguayan Minister of Finance to invite American bankers and business men to make a return visit to Latin America was adopted unanimously by the members of the Conference. Arrangements for fixing the date and other details of the visit are in charge of the following committee:

Farrell, James A., Chairman, President U. S. Steel Corporation, New York.
Barrett, Hon. John, Director General, Pan-American Union.
Black, D. P., Pres., Chamber of Commerce, Pittsburgh.
Goodwin, Elliot H., Secretary, U. S. Chamber of Commerce, Washington, D. C.
Henry, S. T., Vice-Pres., McGraw Publishing Co., New York City.
Kies, W. S., New York.
Patchin, Robert, Foreign Trade Council, New York.
Shirley, James J., F. A. Gillespie Co., New York.
Warfield Edwin, Fidelity Trust Company, Baltimore.
Straight, Willard, J. P. Morgan & Co., New York.
Clausen, John, Crocker National Bank, San Francisco.

Permanent Group Committees

The eighteen committees of American members, one of which was appointed to confer with each of the foreign delegation, have been made permanent bodies to study and improve relations with each Latin American republic, as follows:

Argentina

Straight, Willard D., Chairman, J. P. Morgan & Co., New York.
Farrell, James A., President, U. S. Steel Corporation, New York.
Ford, Henry, Pres., Ford Motor Company, Detroit.
McCormick, Cyrus, International Harvester Co., Chicago.
Vanderlip, Frank A., Pres., National City Bank, New York.

Bolivia

Grace, Joseph F., Chairman, W. R. Grace & Co., New York.
Bippus, W. P., Treas., National Cash Register Co., Dayton.
O'Neil, J. P., Pres., Fulton Foundry Co., St. Louis.
Pepper, Charles M., Washington, D. C.
Richards, George H., Remington Typewriter Co., New York.

Brazil

Hammond, John Hays, Chairman, New York.
Forgan, J. B., First National Bank, Chicago.
Rice, E. W., Pres., General Electric Company, New York.
Lage, Frederick, Mechanics & Metals National Bank, New York.

Chile

Dodge, Cleveland H., Chairman, New York.
Bacon, Hon. Robert, New York.
Duval, G. L., Wessel, Duval & Co., New York.
Kinley, David, University of Illinois, Urbana, Ill.
Roskoff, John J., Treas., E. I. du Pont de Nemours Powder Co., Wilmington.

Colombia

Norris, George W., Chairman, Philadelphia, Pa.
Coster, Morris, Westinghouse Co., New York.
Shepherd, W. R., Columbia University, New York.
Simmons, Wallace D., St. Louis.
Williams, R. Lancaster, Baltimore, Md.

Costa Rica

Earle, J. W., Chairman, Remington Typewriter Co., New York City.
Grout, H. C., Graselli Chemical Co., New York.
Keith, Minor C., Pres., United Fruit Company, New York.
Parker, Walter, Gen. Mgr., New Orleans Chamber of Commerce, New Orleans.
Aerts, G. A., Rudolph Wurlitzer & Co., Cincinnati.

Cuba

Brown, F. Q., Chairman, Redmond & Co., New York.
Fuller, Paul, Coudert Bros., New York.
Harrison, Fairfax, Pres., Southern Railway Company, Washington, D. C.
Taylor, G. C., Pres., American Express Co., New York.
Speyer, James, New York.

Dominican Republic

Hollander, Prof. J. H., Chairman, Johns Hopkins University, Baltimore.
Falconer, Charles A., Pres., Merchants & Manufacturers Association, Baltimore.
Jennings, F. B., Stetson, Jennings & Russell, New York.
Marshall, W. H., American Locomotive Co., N. Y.
Penny, David H. G., Vice-Pres., Irving National Bank, New York.

Ecuador

O'Neil, Joseph H., Chairman, Federal Trust Co., Boston.
Eaton, Frederick H., Pres., American Power & Foundry Co., New York.
Herr, E. M., Pres., Westinghouse Electric & Mfg. Co., East Pittsburgh.
Lipe, W. H., Vice-Pres., Beech Nut Packing Co., Canajoharie.
White, J. G., J. G. White & Co., New York.

Guatemala

Francis, David R., Chairman, St. Louis.
Johnson, Alba B., Pres., Baldwin Locomotive Works, Philadelphia.
Clausen, John, Crocker National Bank, San Francisco, Cal.
Ruperti, J., Amsinck & Company, New York.
Woodin, Wm. H., American Car & Foundry Co., New York.

Honduras

Armstrong, John S., Chairman, Baltimore.
Gathright, Owen, Vice-Pres., Harbison & Gathright, Louisville.
Manning, W. E., Secy., Youngstown Sheet & Tube Co., Youngstown.
Sachs, Samuel, Goldman, Sachs & Co., New York.
Thayer, H. B., Pres., Western Electric Company, New York.

Nicaragua

Saunders, W. L., Chairman, Pres., Ingersoll-Rand Co., New York.
Brown, James, Brown Bros., New York.
Wexler, Sol, Whitney Central National Bank, New Orleans.
Harnecker, L. O., Pres., Singer Sewing Machine Co., New York.
Numsen, George H., Pres., National Canners Assn., Baltimore.

Panama

Schoonmaker, S. L., Chairman, American Locomotive Works, New York.
Crean, T. F., Remington Typewriter Co., New York.
Gladding, J. W., Vice-President, E. C. Atkins & Company, Indianapolis.
Mulford, H. K., Pres., H. K. Mulford Co., Philadelphia.
Rhett, R. G., Charleston S. C.

Paraguay

Pierson, Lewis E., Chairman, Pres., Austin Nichols & Co., New York.
Maddox, Robert F., American National Bank, Atlanta.
Morrison, John R., Pres., Atlas Portland Cement Co., New York.
Muchnic, Charles, American Locomotive Co., New York.
Patchin, Robert H., Secy., National Foreign Trade Council, New York.

Peru

Fahey, John H., Chairman, Pres., Chamber of Commerce of the United States, Boston.
Babson, Roger W., Boston.
Butterworth, William, Pres., Deere & Co., Moline, Ill.
Guggenheim, Daniel, Pres., American Smelting Co., New York.
Mitchell, Capt. C. D., Pres., Chattanooga Plow Co., Chattanooga.

Salvado

Rowe, W. S., Chairman, Pres., First National Bank, Cincinnati.
Given, T. H., Pres., Farmers' Deposit & National Bank, Pittsburgh.
Goodwin, Elliot H., Sec., Chamber of Commerce of the United States, Washington, D. C.
Mahana, George S., Corn Products Refining Co., New York.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington, D. C.

Uruguay

Wheeler, Harry A., Chairman, Vice-Pres., Union Trust Company, Chicago.
Deans, H. G. P., Merchants Loan & Trust Company, Chicago.
Kies, W. S., National City Bank, New York.
Thomas, E. P., Pres., United States Steel Products Company, New York City.
Wing, Daniel G., Pres., First National Bank, Boston.

Venezuela

Crane, Charles R., Chairman, Chicago.
de Lima, E. A., New York.
Potter, W. C., Guaranty Trust Co., New York.
Schiff, Mortimer L., Kuhn, Loeb & Co., New York.
Wilson, Wm. P., Commercial Museum, Philadelphia.

NOTE—At the time of going to press all of those designated above had not signified their acceptance of the appointment made by Secretary McAdoo. Consequently, some changes may be made in the permanent make-up of the various committees.

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The Pan American Financial Conference

An Illustrated Review of the Trade Data Brought by the Latin Americans and the Results of the Conference

WASHINGTON, MAY 24-29, 1915

Compiled by

BASIL MILES

Assistant Secretary General of the Conference and Chief of Division of the Chamber of Commerce of the United States

The Pan American Financial Conference

Its Meaning and the Hopes It Holds Out

Prepared Especially for *The Nation's Business* by

HON. WILLIAM G. McADOO

Secretary of the Treasury

THE Pan American Financial Conference, which recently concluded its sessions in Washington, demonstrated conclusively that the trade, commerce, and financial influence of the United States with Central and South America can be increased to predominant proportions if we have the intelligence, enterprise and courage to immediately take advantage of our rare opportunity.

The Conference was composed of forty-three delegates, representing all the countries of South and Central America, as well as Cuba and the Dominican Republic, and more than one hundred and fifty of the strongest bankers and business men of the United States. For an entire week the distinguished foreign representatives and these able men of the United States discussed the important questions affecting our commercial relationships with the Latin-American countries, and arrived at some very practical and important conclusions.

The South American delegates, particularly those from Argentina, Brazil, Chile, Uruguay, Peru and Ecuador, came to this country convinced that the most essential thing for the extension of American trade and commerce in the South American continent, is the prompt establishment of sufficient steamship service with reasonable rates, between the leading ports of the United States and the leading ports of South America. Some of them frankly stated that increased trade between this country and theirs is manifestly impossible without sufficient ocean transportation facilities. The shipping question became, wholly unexpectedly, the most important question before the conference.

Vital Importance of Transportation

Upon the suggestion of the delegates from Argentine Republic, a committee on ocean transportation was appointed. This committee consisted of representative men of South America and the United States. Upon its report the conference unanimously adopted the following resolution:

RESOLVED, That it is the sense of this conference that improved ocean transportation facilities between the countries composing the Pan-American Union have become a vital and imperative necessity, and that every effort should be made to secure at the earliest possible moment such improved means of ocean transportation, since it is of primary importance to the extension of trade and commerce and improved financial relations between the American republics.

It is of great value to have learned from these delegates from South America (because no one can tell of their needs so certainly as themselves) that the greatest impediment to trade with the United States is the lack of sufficient steamship lines. The conference could not, of course, adopt any plan for the creation of the necessary merchant marine. The delegates from the foreign countries had no power to commit their governments. It is hardly to be expected that private capital in South America can be enlisted in steamship enterprises, in view of the fact that the South American countries have been great sufferers from the European war, and are themselves in need of new financial connections and accommodations. Obviously this problem must be solved by private capital in the United States itself, if we wish to become the leading bankers for Latin-America and possess ourselves of the great trade they offer us.

We have been told so often that private capital

in the United States will not engage in shipping enterprises under our present laws or without government subsidies or government aid in some form or other, that we cannot expect prompt relief or any relief from that source. Perhaps it is true that our laws do put our capitalists at a disadvantage in the matter of steamship enterprises, and perhaps they are fully justified in not engaging in such enterprises. No one desires to quarrel with them on this subject. What the country demands is relief and if they cannot supply it, the government must. If our laws could be changed so radically as private capital has indicated that it will require, or even if steamship subsidies or governmental subventions could ultimately be secured, it would be at the end of a long fight, and even then there would be no guarantee or assurance that private capital on a sufficiently large scale could be enlisted promptly so that the steamship facilities upon which enlargement of our trade and commerce with South America wholly depend, would be quickly supplied.

Development of Steamship Lines

The development of steamship lines through private enterprise will be a slow and tedious process at best. In the meantime the magnificent opportunity this country now has to secure a dominant position in the trade, commerce and finance of South America will have disappeared. By that time, or long before that time, peace in Europe will have been restored and our competitors, the chief industrial nations of Europe, will reassert themselves and re-entrench themselves in the markets of South America.

The shipping bill, which would have passed the last Congress but for the successful filibuster in the Senate, authorized the Government to take all the stock, if necessary, in a private corporation, to be organized for the purpose of operating ships to South America. This company was to be organized and operated upon the same plan as the Panama Railroad Company, the entire capital stock of which is owned by the Government of the United States. The Panama Company, with the United States as sole stockholder, has been operating a line of steamships between New York and the Isthmus of Panama for more than ten years. These ships have been successfully operated; they have been profitably operated; they have been beyond political control. In fact, politics have never entered into the management of the Panama Steamship Line. The proposed plan was simply an extension of the Panama Steamship idea.

There is a vast difference between the government owning and operating directly a steamship line and being merely the principal or sole stockholder in a private corporation operating a steamship line. In the case of direct government ownership and operation the danger of political influence and control is a proper objection. It is also more difficult for shippers to assert claims against the government, to say nothing of other complications which might arise from the direct intervention of the sovereignty of the government. But it is not necessary to elaborate these points here. None of these objections arises when the government is a mere stockholder in a private corporation. The government chooses the directors of the private corporation and they, in turn, choose its officers, men who are experts and best qualified for their positions, and the of-

ficers choose the most competent staff of employees and operate the corporation upon business principles, free of political complications of any kind.

Had this bill passed in the last session of Congress, much would already have been accomplished in the extension of our trade and financial relationships with South America. It is certain that we will never be able to establish ourselves securely in those markets until we have a reliable steamship service under the American flag, with regular sailings and reasonable rates for freight and passengers, backed by enough financial power to make the shippers in South America and in the United States have faith in the permanency and sufficiency of the service to justify them in making the necessary capital expenditures to promote larger commercial and financial intercourse.

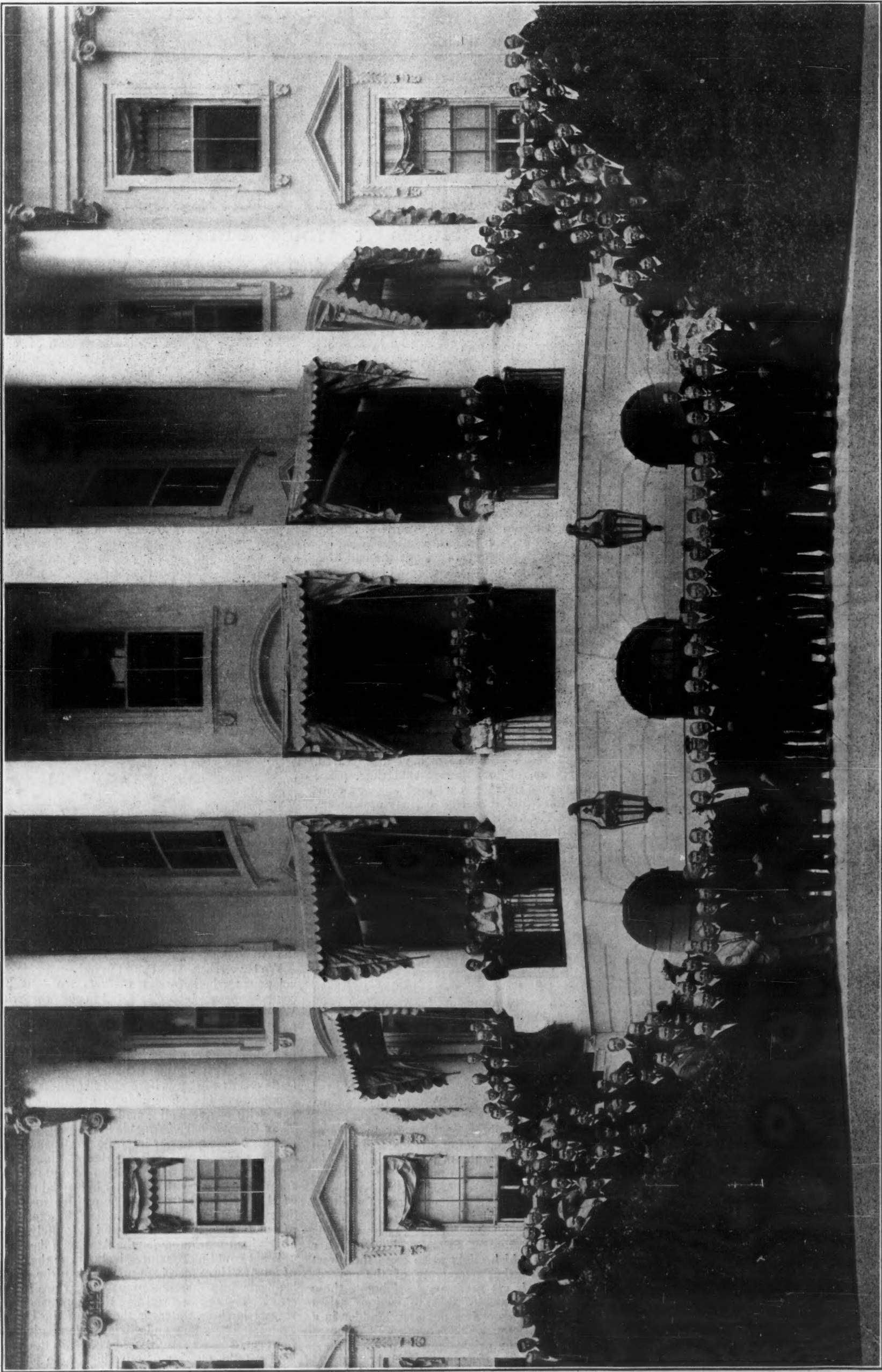
"A Shipping Corporation"

I have given a great deal of thought to this vitally important question, and I have been forced to the conclusion that the only practical, and the only prompt solution, is for the Government of the United States to take stock in a shipping corporation, as proposed in the last Congress. By no other means can we get sufficient financial power quickly behind the enterprise; by no other means can our merchants, manufacturers and financiers be guaranteed the necessary steamship facilities to enable them to build up a profitable business in competition with the people of the other great industrial nations of the world.

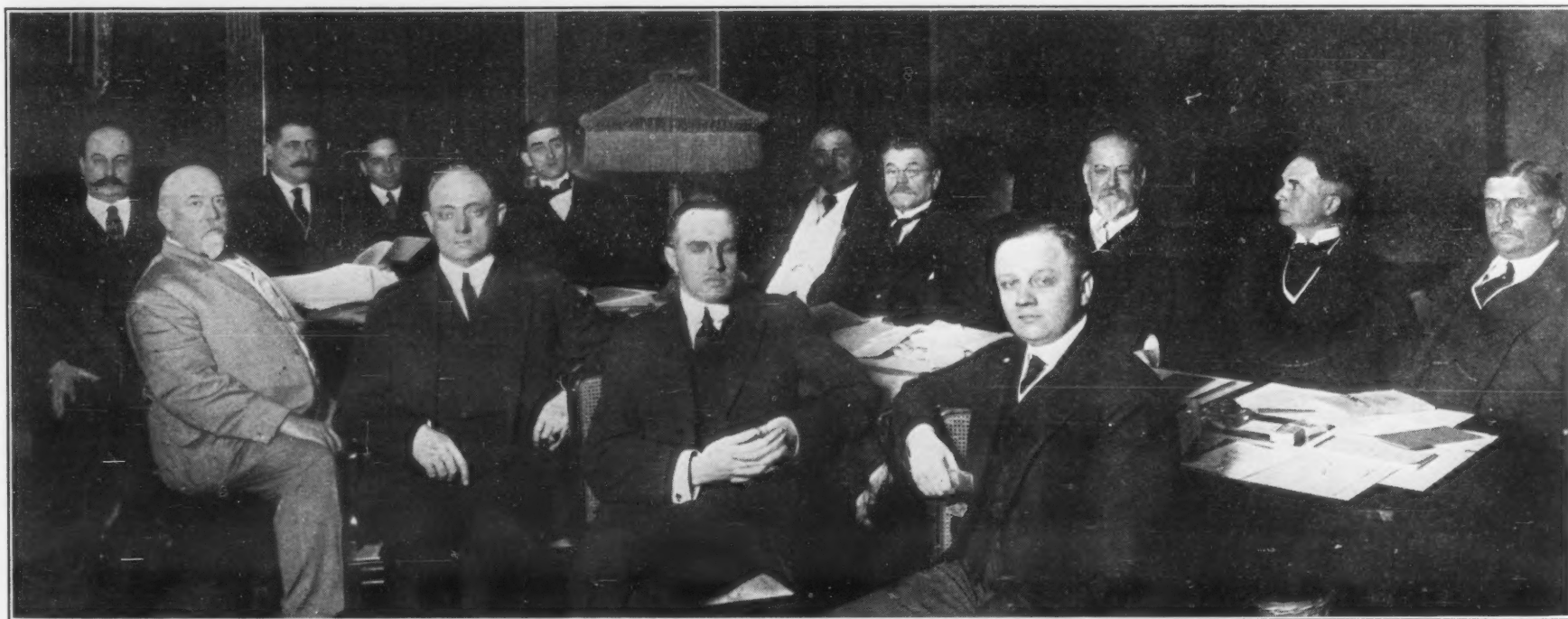
In the presence of such a great opportunity as we now have to strengthen our commercial, financial and political relations with all the other nations of the Western Hemisphere, from which will flow immeasurable blessings to present and future generations of all the nations of the American continent, why can we not dismiss partisan bias and partisan considerations and deal with this question in the broad, direct, practical, prompt and effective manner so characteristic of the American people?

We have reached that point in our economic development where foreign markets are daily becoming more and more essential to our prosperity. We have only to turn our minds back to the months immediately following the outbreak of the European war, when our foreign commerce was almost wholly stopped for several months, to realize what the maintenance of our foreign trade means to the welfare and happiness of our people. We have been able to get along in the past with a relatively small foreign commerce. Therefore, we have been able in the past, without serious jeopardy to our interests, to depend upon the flags of other nations for the carriage of our foreign commerce. In the keen contests of the future, however, with the other industrial nations of the world for trade in competitive markets, the salvation and security as well as the expansion of our foreign trade will depend absolutely upon a merchant marine under the American flag.

What could more impressively argue the cause of an American merchant marine than the recent happenings in the zone of naval warfare in Europe? The only neutral flag that commands any respect in these waters is the flag of the United States. The Stars and Stripes alone give assurance of safety to those who sail the seas. And yet the number of our ships is so pitifully small that the legitimate needs of our people and



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THE FINANCIERS, BANKERS, AND CAPTAINS OF INDUSTRY OF LATIN AMERICA AND THE UNITED STATES, AND THE OTHER VISITORS TO THE PAN AMERICAN FINANCIAL CONFERENCE, AFTER THE WHITE HOUSE RECEPTION ON MAY 24.
(In the front row, to President Wilson's right, are Secretary Bryan, (who on June 8 resigned his portfolio), Secretary Daniels, the Argentine Ambassador, Senor Naon, and Senor Aldao. To the President's left is the Secretary of the Treasury, who called the Conference. The background is the famous South Portico of the White House. The faces of all the other representatives and distinguished visitors are shown in this picture).



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THE GROUP CONFERENCE OF URUGUAY—ONE OF THE EARLIEST TO ORGANIZE—SHOWING THE URUGUAYAN DELEGATES AND THE CONFEREES OF THE UNITED STATES.

of our commerce cannot be supplied under our flag. We must submit to the perils of shipping under belligerent flags or abandon our lawful commerce and stay on American soil until the war is over. No one will seriously contend that we should do the latter. Not only do we need an ample American Merchant Marine, for our commerce. We must have it as a naval auxiliary in time of war. The effectiveness of our navy is reduced, I am told, twenty-five per cent for want of suitable and adequate naval auxiliaries. Where could we get them if such a misfortune as war should overtake this country?

We hear a great deal about "dollar exchange." But how can "dollar exchange" compete successfully with "sterling exchange" when the latter has such great advantage of time in transit? Interest on items in transit is an essential element in the cost of exchange. If it takes ten days to draw on London as against twenty days or more to draw on New York, London has a very decided advantage. Our Federal Reserve Act has put our bankers in position to capture for the United States the financial supremacy of the world. But we cannot take it, and shall never be able to take it, unless we have adequate shipping facilities. I believe that we shall never get such facilities until the Government puts its power behind them. An adequate merchant marine is the supreme need of the hour. The Congress can supply it and will supply it if public opinion will assert itself.

The Chamber of Commerce of the United States can exercise a great influence upon this question. Soon its members are to vote upon a referendum involving several plans for a merchant marine. My earnest hope is that they will divest themselves of all political bias, consider each plan on its merits, select the one which they are convinced is the only practical one for creating quickly a reliable and strong merchant marine under the Stars and Stripes, and vote for it.

If the Pan-American Financial Conference has done nothing else than to awaken the American people to the acuteness and vital importance of the shipping problem, that alone is a valuable achievement.

But this is not the only thing the Conference did. The report of the Committee on Uniform Laws relating to matters which vitally affect trade between the various Central and South American countries and the United States, showed that many laws and regulations of a needlessly irritating and obstructive character exist. These undoubtedly can be removed by intelligent co-operation between all the nations concerned.

Permanent Committees Suggested

In order to vigorously prosecute the work thus begun for the elimination of irritating and obstructive laws and regulations, and to bring about uniform laws respecting commercial paper, bills of lading, classification of merchandise, customs regulations, consular certificates and invoices, port charges, regulations for commercial travelers, protective legislation for trade marks and patents and copy rights, etc., it was recommended

that an International High Commission be immediately appointed to take charge of these important matters. It was suggested that the Minister of Finance, or Secretary of the Treasury, of each country appoint a commission of nine members, also that the Finance Ministers act as chairmen of such commissions. The Secretary of the Treasury will appoint such a commission for the United States and will act as its chairman. I have suggested to each of the countries that a meeting of the International High Commission be held on the 1st of November next, in the city of Buenos Aires, and that, in the meantime, each commission set to work on the report submitted to the Conference.

The Group Conferences

One of the features of the Conference which worked most happily and satisfactorily was the division of the representatives of the United States into eighteen committees, and the assignment of one of these committees to each of the countries represented in the Conference. By this means the delegates of each South and Central American country were brought into close contact with a committee of the strongest financial and business men of the United States, where the problems of each country could be talked out at close range in an intimate and confidential way. These meetings were called "group conferences."

The result of this plan was so satisfactory that a large number of the foreign delegates requested me to appoint permanent group committees in the United States to act as the medium through which they might secure reliable information or submit matters for the consideration of financiers, merchants or manufacturers in the United States. I have determined to appoint these group committees, and the names will be announced at an early date. They will, of course, have no official status, but will act as voluntary organizations for the purpose of fostering closer financial and commercial relations between the United States and Central and South American countries.

These committees will serve until the next Pan American Financial Conference, in 1916, or until relieved from further service by the Secretary of the Treasury of the United States. I have suggested that the delegates of each Latin American nation continue to act as a group committee for their respective countries.

The delegates from Uruguay suggested that a representative body of our business men and financiers should make a return visit to South America in the near future. This suggestion was unanimously endorsed by the Conference. I think it is an excellent idea and believe that such a visit would produce very happy and satisfactory results.

I believe that an annual Pan American Financial Conference in Washington will prove of immense advantage to all the Republics of the American Continent. I am going to ask the President to strongly recommend to the next Congress of the United States that authority for the calling of such a conference be given, and that a sufficient appropriation be granted to carry on the work.

Many of the foreign delegates expressed themselves as heartily and unqualifiedly in favor of the annual Financial Conference. Certainly such conferences will greatly stimulate the development of commercial, financial and social relationships between the various countries and undoubtedly strengthen them.

I think the City of Washington is the best place for the annual sessions of the proposed conference, because it is, on the whole, the most convenient place, and it is certain that a larger attendance of our important financiers and business men can be secured in Washington than elsewhere. Moreover, the Pan American Union has a beautiful building in Washington, with exceptional facilities for such meetings. It is highly desirable too that there shall be the fullest co-operation between the Pan American Financial Conferences and the Pan American Union. To make these Pan American Financial Conferences a permanent feature of our relations with our great and growing sister republics in South and Central America, will, in my judgment, have the happiest possible effect in promoting the material development and strengthening the friendly relations between the nations of the Western Hemisphere.

Most conferences prove disappointing because they end in talk. After they adjourn, it is usually the case that nothing more is heard of them. We do not intend to let the great practical results promised by this conference slip away for lack of proper attention. We must apply the "follow-up" system to the beginning we have made. Business men know what that means. Let me summarize the plans for future work:

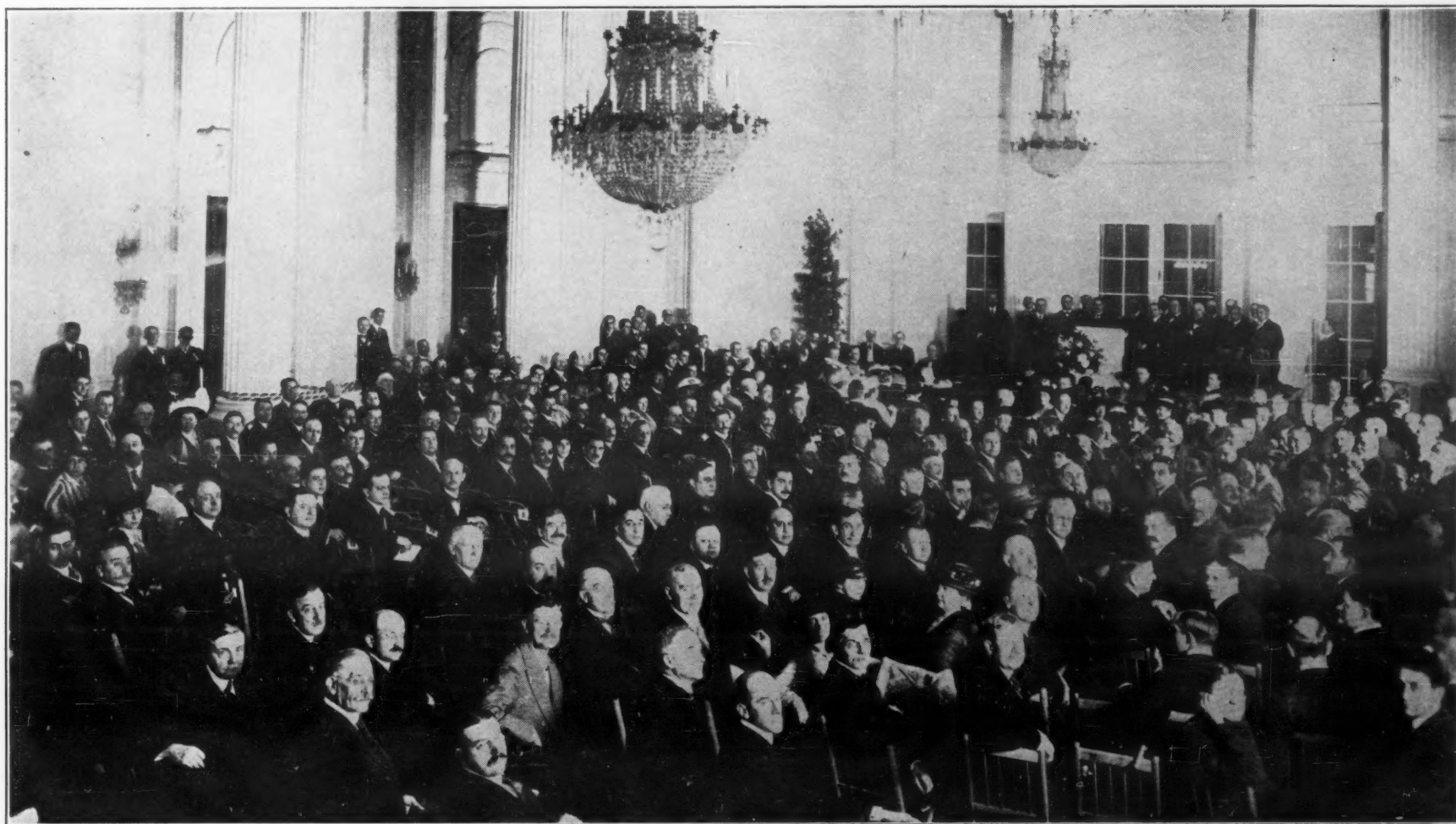
First. Hold each year at Washington a Pan-American Financial Conference, thus making it a part of our fixed policy with the nations of South and Central America.

Second. Let the Finance Ministers of the countries concerned immediately appoint an International High Commission, and fix a meeting of that commission in Buenos Aires, for November 1, 1915, to agree upon plans, and to press measures for uniformity of such laws as will promote commercial and financial intercourse.

Third. Appointment by the Secretary of the Treasury of the United States of group committees composed of prominent bankers and business men of the United States to keep in touch with each country of South and Central America. Delegates of each country should be requested to continue to act as group committees for their respective countries.

Fourth. Appointment by the Secretary of the Treasury of a committee of representative Americans, to arrange for a visit of prominent bankers and business men of the United States to all the Latin American countries in response to the invitation extended by unanimous vote of the conference.

I am sure that these plans, intelligently executed, will bear abundant fruit. The conference has already produced results of great value to all of the participating nations. The future is full of promise.



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PRESIDENT WILSON WELCOMING THE MEMBERS OF THE CONFERENCE AT THE OPENING SESSION IN THE HALL OF THE AMERICAS.

The Story of The Conference

What Brought it About, What Happened at the Meetings, and the Permanent Results Achieved

EVERY one has now become familiarized with war conditions. Last summer, however, no one had recovered from the shock of seeing the leading civilized nations of Europe engaged in a life and death struggle which showed a constantly increasing tendency to overlook or overthrow any established usages or practices which stood in the way of their demand for military success. The progress of the war has been kaleidoscopic and each of the pictures which have passed before the eyes of people in this country has been strange and unfamiliar. Consequently, even after more than ten months a sense of paralysis still comes over anyone who tries to analyze just what is happening.

The invasion of Belgium and the distressed conditions of its inhabitants which first ensued, brought into immediate prominence the humane feelings which characterize the people of the United States, and which have never yet allowed themselves to be obscured. At the same time home questions of commerce and business could not be ignored and indeed obtruded themselves with more and more insistence. After the question of bringing home American tourists, who had been surprised in the war zone, had been solved, the question still remained of shipping enough American gold to Europe to finance our obligations. As is shown in a speech of Mr. Warburg of the Federal Trade Commission, which is summarized in the succeeding pages of this number, much of the necessity to liquidate our obligations was due to the fact that Great Britain has been the great lending nation of the world in the past, and on the outbreak of the war made a call upon her creditors for some settlement of at least part of their debts. In this matter the Secretary of the Treasury intervened naturally as the official representing that department of the government primarily concerned with the financial operations of the country.

Some Economic Reasons

No sooner had some solution been found for the adjustment of our foreign obligations, than another equally important question became pressing. England and Germany have, between them, consumed enormous quantities of the cotton produced in the United States. Some of the latest figures available show that in recent times England has purchased over \$230,000,000 worth of

American cotton and Germany over \$80,000,000 worth a year. The purchasing of this cotton figured prominently in our financial relations with foreign countries as constituting a large and important credit on the part of the United States. Further than this, the prosperity of many people here was dependent upon operations connected with the growing and marketing of this crop. Another extremely important element of our foreign trade has been the exportation of grain. Here also the situation was much the same as with regard to cotton. As the movement of these two staple products is necessarily based upon a number of financial transactions involving questions of foreign exchange, the Secretary of the Treasury again had this matter naturally brought for-

cibly to his attention in the early days of the war.

And so he came to consider the South American situation which was becoming acute. The development of Argentina has been largely financed by English capital, and the trade of the principal European countries now at war with the larger republics of Central and South America has been a vital matter for the latter. The outbreak of hostilities, however, as long as German cruisers menaced British shipping, imperiled much of the commercial intercourse between Europe and Latin America, and the extraordinary financial demands of the belligerents had for a time a disastrous effect upon the Latin American countries which depended for their main channels of financial intercourse upon the money markets of London, Paris, and Berlin.

Here was a situation in which the United States might logically play its part in the development of Pan American prosperity. As early as the first part of November, the Secretary of the Treasury, therefore, took up with the Secretary of State the propriety of calling a Pan American Financial Conference which should have for its main purpose the solution of the many problems which had resulted from the complete dislocation of normal channels of trade. Just before Christmas Mr. Bryan was able to inform Mr. McAdoo that informal inquiries, which had been made, indicated clearly that practically all of the Latin American Republics would view such a conference with favor.

Calling of the Conference

The next move was to secure the approval of the President, and this was done without difficulty, so that, on January 15, the Secretary of the Treasury was able to address a letter to the chairman of the committee on foreign relations of the Senate, and the chairman of the committee on foreign affairs of the House, asking for an appropriation of \$50,000 to defray the cost of the conference, which should include representatives from all the American republics, and have for its purpose the discussion of practical means and measures for readjusting and improving the financial relations of the countries of North and South America.

The appropriation was authorized by Congress on March 4th, and a few days afterwards formal invitations to a conference to convene May 10



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DR. LEO S. ROWE, THE SECRETARY GENERAL.

were issued through the Department of State. Every one of the countries invited sent cordial acceptances. It so happened that two of them,



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THE SECRETARY OF STATE, THROUGH WHOM THE INVITATIONS WERE ISSUED.

Haiti and Mexico, owing to disturbed internal conditions which have resulted in the United States Government being unable to recognize any established government in those republics, could not be included in the official invitations.

The date of the conference had to be postponed until May 24 owing to the unexpected illness of Secretary McAdoo; but, when the conference convened on this latter date, eighteen of the twenty Latin American republics were represented by delegations which included such distinguished public men as the Vice-President of one of the republics, the Secretary of State of another and the Ministers of Finance of a number of others. In every single case the guests were leaders either officially or as private citizens in the financial affairs of their respective countries.

There is no necessity to overlook, indeed it should be clearly recalled, that the first financial conference dealing with Pan American affairs assembled in Washington January 7, 1891, and



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THE GOVERNOR OF THE FEDERAL RESERVE BOARD, CHARLES S. HAMLIN.

was known as the International American Monetary Conference. It followed the first general Pan American Conference which met in Washington during the winter of 1889-1890. The Pan American Financial Conference which has just concluded is thus a logical development of previous meetings of representatives of the republics of America. The success of these preceding meetings without doubt has contributed largely to the cordial and immediate response made in every case to Secretary McAdoo's invitation.

The fact that the Pan American Financial Conference has attained a measure of success proportionate to the extraordinary demands of the situation, unquestionably owes much to the gradual and steady development of the Pan American idea that the republics of the western hemisphere are naturally bound together by ties of commercial interest and inter-dependence as well as by political ideals and a republican form of government. It has taken twenty-five years and the pressure of a great world crisis to bring to fruition the seed which was planted and has been cultivated by the gradually developed association of the Latin American republics with the United States.

Organization of the Conference

As the Conference was called by Mr. McAdoo to discuss practical questions, it was essential that it should be organized on a practical basis.



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THE ASSISTANT SECRETARY OF THE TREASURY, ANDREW J. PETERS, "GENERAL MANAGER" OF THE CONFERENCE.

Consequently, he gave much consideration to securing a Secretary General to assist him in the management of the Conference, who should be already thoroughly familiar with Latin America, its problems and its languages. By a happy choice he was able to obtain from the University of Pennsylvania the services of Dr. Leo S. Rowe, a professor in that University, and President of the American Academy of Political and Social Science, and who is already widely known in all republics of Central and South America not only for his exhaustive knowledge of conditions, but for his fluent and accurate command of Spanish.

Instead of having a series of general sessions confined to eloquent speech making and public discussions, the actual results of which might prove somewhat ephemeral, it was decided to supplement such a scheme by a series of group meetings. Secretary McAdoo realized that each country had its own distinctive problems which did not necessarily relate to those of its neighbors. Manifestly the specific problems of each country could not be debated with advantage or benefit in general public sessions.

In order, therefore, to give each country an opportunity to discuss its own difficulties with frankness and freedom and an assurance of special interest, the American members of the Conference were divided into eighteen commit-

tees. One of these committees was assigned to each of the countries represented. This brought about a series of group conferences where the



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THE SECRETARY OF THE TREASURY, WHO INVITED THE LATIN AMERICANS.

problems and difficulties of each country were discussed with representative bankers and business men of the United States informally and effectively, and with the sole object of securing practical and tangible results.

This plan enabled each group committee, which had its sole interests centered in one country, to make a practical analysis and report accordingly. Consequently when the Conference was opened, in the white marble building of the Pan American Union, on the morning of Monday, May 24, by a graceful address of welcome on the part of the President of the United States, the plan of proceedings had already been crystalized on a business basis. The eighteen republics sent forty-five official delegates. To confer with these distinguished visitors practically two hundred of the leading bank-



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PROF. JOHN BASSETT MOORE, EMINENT AUTHORITY ON INTERNATIONAL LAW.



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PRESIDENT WILSON LEAVING THE PAN AMERICAN BUILDING AFTER HIS ADDRESS OF WELCOME (TO HIS RIGHT IS JOHN BARRETT, DIRECTOR GENERAL OF THE PAN AMERICAN UNION; TO HIS LEFT, MR. W. F. SANDS, ONE OF THE ASSISTANT SECRETARIES GENERAL OF THE CONFERENCE).

ers and merchants of this country had accepted Secretary McAdoo's invitation.

The speech of the President of the United States was followed by a cordial address on the part of the Secretary of State, who pointed out that only on exceptional occasions such as the present were foreign visitors in this country first welcomed personally by the President instead of by his representative in foreign affairs, the Secretary of State. One member of each of the foreign delegations in turn then responded to the remarks of the President and Mr. Bryan, expressing, in the happiest terms, the pleasure which their respective governments had had in delegating them to attend a Conference of such unique importance.

How the Sessions Were Conducted

President Wilson sat at the right of Secretary McAdoo, who presided at all the general sessions, while the foreign visitors were making their responses, and as soon as the speeches were concluded, proceeded to the White House. The session then adjourned and all the members of the Conference, together with such members of their families as were with them, followed the President to the White House, where he received them in the Blue Room, and afterwards was photographed with them on the steps of the south portico overlooking the lovely gardens which surround the executive mansion. This photograph is reproduced on another page. After lunch, the second general session of the Conference opened at half past two with an address by Secretary McAdoo, in which he explained the ambitions he entertained as to the results which would accrue from the deliberations of the delegates, and the plan of proceedings which he had adopted. Mr. McAdoo was followed by addresses on the part of the Postmaster-General and the Secretary of Commerce after which he announced the makeup of the various group committees whose deliberations were to form such an important element of the proceedings. The session then adjourned.

Monday evening an official reception, with music, dancing and supper, was tendered to the members of the Conference and the diplomatic corps, by the Secretary of State and the Secretary of the Treasury, in the Pan American building, which was very beautifully decorated for the occasion. A number of official and personal friends of the Secretary of State and the Secretary of the Treasury were also invited, so that the total attendance amounted to almost one thousand.

Tuesday morning the third general session was held, with addresses by the Governor of the Federal Reserve Board, Mr. Hamlin, and one of his colleagues, Mr. Warburg, and a number of the distinguished foreign visitors.

The session adjourned a little before one o'clock in order that some of the foreign delegates might attend a luncheon given in their honor by the Secretary of State.

In the afternoon of Tuesday, May 25, the more practical side of the Conference began. Although the general sessions and principal entertainments of the delegates were most appropriately held in the beautiful building of the Pan American Union, the headquarters of the foreign visitors was located in the Shoreham Hotel, and here each delegation had assigned to it a special committee room. A large part of the first floor of the hotel was given up to the eighteen committee rooms assigned to each country where the foreign delegations welcomed the committees of American business men appointed to confer with them. The chairman of

each foreign delegation acted as chairman of his group committee and was able to welcome the American members of the group committee as a host his guests. The group committee meetings were continued Wednesday morning, interrupted only by a reception tendered to the members of the Conference by the Argentine Ambassador on the occasion of the 105th anniversary of Argentine independence.

After a luncheon, given by the Secretary of State to those of the foreign delegates whom he had not entertained the previous day, the group committee meetings were continued on Wednesday afternoon. Towards evening, at a time when Washington and its surroundings are assuming their most lovely aspect, the delegates were taken by automobile to the Chevy Chase Club, where a tea was given in their honor by the Federal Reserve Board.

On Thursday morning the fourth general session was held in the Pan American Union, and addresses made by the chairman of the Federal Trade Commission, Mr. Davies, the Director General of the Pan American Union, Mr. Barrett, and other members of the Conference. At this session the plan for the permanent establishment of improved steamship communication with South America, particularly with countries on the eastern coast, Argentina, Uruguay and Brazil, assumed great prominence. Additional addresses were made by Mr. Suay, one of the delegates from Salvador, Mr. Triana of Colombia, Mr. J. J. Arnold of Chicago, and others.

After a luncheon tendered to the members of the Conference by Secretary McAdoo, the President put his yacht, the Mayflower, at their disposal, and they were taken down the Potomac on an excursion to Mount Vernon, returning a little before nine o'clock in the evening.

On Friday morning the group conference committees continued their meetings and got their reports in final form for presentation at the fifth general session which was held Friday afternoon, May 28. The reports of the committees were generally presented at this session and analyzed by Mr. John Bassett Moore, a distinguished authority on international law, who has already achieved a national reputation as Assistant Secretary of State and Counselor on the Department of State. For the entertainment of the delegates after the conclusion of the general session Friday afternoon, they were the guests of the Secretary of War, Mr. Garrison, at Fort Myer, where an official drill of the troops was held in their honor.

The final session of the Conference was fixed for Saturday morning, May 29, but the reports of the committees precipitated so many questions of interest that the session was prolonged after a brief interval for luncheon, until five o'clock in the afternoon, when the guests were received by Mrs. John B. Henderson, wife of the late Senator Henderson, who took such an active part in the first Pan American Conference in 1889. The entertainment of the delegates concluded with an elaborate banquet Saturday night, given by Secretary McAdoo in the Hall of the Americas in the Pan American Union, and a luncheon tendered in their honor by the Assistant Secretary of the Treasury and Mrs. Andrew J. Peters at "Woodley," their beautiful residence on the outskirts of the city.

Some Results Already Realized

The tangible results of the Conference were illustrated in a scheme of permanent organization, reports of committees dealing with greater uniformity of law, arbitration of commercial disputes and improved ocean transportation, which are set forth in the pages of this special number of THE NATION'S BUSINESS, together with an analysis of the actual work accomplished by the group committee of each country. It is, therefore, unnecessary here to say more. Commercial arbitration, once established, will relieve disputes and disagreements between exporters and importers from the delay and expense of proceedings of law, and constitutes an epoch making event in international trade as does also, in Pan American affairs, the organization on a permanent basis of machinery to carry out in fact the results of the Conference.

The detailed proceedings are now in course of printing, and will be published officially by Secretary McAdoo. In the meanwhile the general facts of the Conference and the accomplishments of tangible importance resulting from it are reviewed in this number, and have been compiled from official sources.



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A TYPICAL GROUP OF DELEGATES FROM THREE OF THE LEADING COUNTRIES, ARGENTINA, CHILE AND ECUADOR. (THE THREE ON THE LEFT ARE MR. VERGARA BULNES, MR. IZQUIERDO, AND MR. VILLANUEVA, OF CHILE; ON THE EXTREME RIGHT, MR. JUAN CUEVA GARCIA, OF ECUADOR, AND NEXT HIM, DR. ALDAO, OF ARGENTINA.)

Reports of General Committees

Practical Suggestions and Findings of the Larger Committees

UNIFORM LAWS.

THE Secretary of the Treasury, in his first address to the Conference, expressed his intention to appoint a committee representing each country to consider the question of uniform laws to govern trade and commerce in the western hemisphere and report before the close of the meetings. This was in line with the earlier suggestion of Secretary McAdoo in the preliminary program sent to all delegates before their arrival in Washington and outlining the general topics which might receive special consideration. Before the conclusion of the Conference all of the group committees had endorsed proposals to secure greater uniformity in laws affecting trade and commerce, including regulations concerning consular invoices, customs entries, and bills of exchange, one of committee going so far as to suggest that each country appoint special permanent committees to study problems affecting trade and finance and report at intervals to the Secretary of the Treasury and to the Chamber of Commerce of the United States.

The result of the deliberations of the committee on uniform legislation and arbitration was clearly set forth in their report, prepared by a sub-committee, which rehearsed the subjects in which greater uniformity is desirable and then outlined a plan for obtaining practical results as follows:

I. SUBJECTS.

"The subcommittee has not taken into consideration the subject of transportation, which should, in its opinion, be kept separate and distinct and be dealt with independently.

The subjects which should, in the opinion of the subcommittee, be dealt with in the report of the committee to the conference are:

1. The establishment of a gold standard of value.

2. Bills of exchange, commercial paper, and bills of lading.

(Note the results of the two European conferences on these subjects.)

3. Uniform (a) classification of merchandise, (b) customs regulations, (c) consular certificates and invoices, (d) port charges.

(See the report adopted by the Fourth International American Conference, at Buenos Aires, 1910.)

4. Uniform regulations for commercial travelers.

Consider in this relation the question of a certificate to be issued by the proper department of the Government of the country from which the traveler comes that the bearer is a bona fide commercial traveler, this certificate to be properly vised:

5. To what extent further legislation may be necessary concerning trade-marks, patents, and copyrights.

(See the treaties adopted by the Fourth International American Conference.)

6. The establishment of a uniform low rate of postage and of charges for money orders and parcels post between the American countries.

7. The extension of the process of arbitration for the adjustment of commercial disputes.

II. ORGANIZATION.

1. That for the purpose of carrying into effect the resolutions of the conference, and particularly for bringing about uniformity of laws on the subjects embraced in those resolutions, there be established an international high commission to be composed of not more than nine members resident in each country, to be appointed by the minister of finance of such country. The aggregate members thus appointed shall constitute the commission.

2. That for the purpose of aiding the International High Commission and coordinating its work there be created in the Pan American Union a bureau, whose chief shall receive a salary of not less than \$5,000 (gold) per annum; and it is recommended that, in view of his initiative in bringing about the conference, the governing

board of the Pan American Union invite the Hon. William G. McAdoo, Secretary of the Treasury of the United States, to suggest the name of the first chief of this bureau. Expenses of the bureau, including the salaries of the chief and his assistants, to be paid by the Pan American Union, in whose budget a corresponding increase shall be included.

3. The American governments are requested to instruct their diplomatic and consular officers and their commercial attaches to cooperate with the International High Commission and with the bureau.

The bureau shall be authorized to obtain in each country such expert assistance as may be necessary to the prosecution of its work, the expenses thus incurred to be treated as a part of the expenses of the bureau.

4. The bureau shall make to the governing board of the Pan American Union, for distribution among the Governments concerned, and to the International High Commission, an annual report.

The bureau shall make to the next International American Conference a full report of its proceedings up to that time, with recommendations as to future work.

(Signed)

Chairman, WILLIAM C. REDFIELD, Sec. of Commerce.

Samuel Hale Pearson.....	Argentina.
Ignacio Calderon.....	Bolivia.
Amaro Cavalcanti.....	Brazil.
Luis Izquierdo.....	Chile.
Santiago Perez Triana.....	Colombia.
Roberto Ancizar.....	Colombia.
John M. Keith.....	Costa Rica.
Pablo Desvernine y Galdos.....	Cuba.
Francisco J. Peynado.....	Dominican Republic.
Vicente Gonzalez.....	Ecuador.
Juan S. Lara.....	Guatemala.
Leopoldo Cordova.....	Honduras.
Pedro Rafael Cuadra.....	Nicaragua.
Ramon F. Acevedo.....	Panama.
William Wallace White.....	Paraguay.
Isaac Alzamora.....	Peru.
Alfonso Quinones.....	Salvador.
Carlos Maria de Pena.....	Uruguay.
Pedro Rafael Rincones.....	Venezuela.

Members Representing the United States.

Charles S. Hamlin.....	George H. Numsen.
John Barrett.....	W. L. Saunders.
D. R. Francis.....	Willard Straight.
John Bassett Moore.....	Benjamin Strong, Jr.
John Hays Hammond.....	Samuel Untermyer.

Transportation and Communication

On of the first suggestions made in open sessions of the Conference was that of Mr. Samuel Hale Pearson, Chairman of the Argentine delegation, who urged that a special committee be appointed to consider means of improving transportation and communication. Discussion of the question brought out the fact that this was a problem which affected primarily the more distant countries, Argentina, Brazil and Uruguay, on the Atlantic, and Chile, Ecuador and Peru on the Pacific. Communication with Central America and even with Colombia and Venezuela is already practically adequate for present needs. Consequently, when it came to the appointment of a general committee on transportation Secretary McAdoo named the delegations of Argentina, Brazil, Chile, Ecuador, Peru and Uruguay to confer with nine of the American members of the Conference.

A sub-committee prepared a report in two parts which was signed by all the members of the Committee and which treats as separate propositions communications between the United States and the countries on the Atlantic side and on the Pacific side. These reports are of such an interesting character that the text of them is given in full:

"Your committee on transportation and communication resolved that a subcommittee to be composed of one member from each of the South American countries represented on the general committee, confer and report back any plan or plans for the inauguration of more regular, rapid, frequent, and up-to-date communication between these countries and the United States which seemed to them practical of accomplishment.

This subcommittee composed of Messrs. Aldao Cavalcanti, Gonzalez, Alzamora, Cosio, and Vergara, submitted two reports, one signed by Messrs. Aldao, of Argentina; Cavalcanti, of Brazil; and Cosio, of Uruguay, and the other by Mr. Vergara, of Chile.

These two reports are designated respectively as "A" and "B."

Report "A," submitted to the general committee on transportation and communication by Messrs. Aldao, Cavalcanti, and Cosio:

The Pan American Financial Conference begs to suggest the advisability of calling for bids not later than December 31, 1915, for the establishment of a regular line of fast mail steamers between United States ports and Rio de Janeiro, Montevideo, and Buenos Aires, under the following conditions:

Steamers to have at least 10,000 tons displacement; to make at least two trips per month, with accommodations for at least 150 first-class cabin passengers; with refrigerating arrangements; and to complete the trip between United States ports decided upon and Buenos Aires, pier to pier, in not more than 15 days.

Bidders to state the compensation demanded and the period of the contract.

As part of the compensation for services rendered, said vessels to be exempt for five years from all fiscal charges in the respective countries and to enjoy all facilities granted to any other vessels.

Bids to be acted upon within three months and preference to be given, all other conditions being similar, to whoever will provide for earlier inauguration of the service.

The Governments of the respective countries to agree upon the proportionate charges to be paid by each and upon all other details.

(Signed) ALDAO.
CAVALCANTI.
COSIO.

Report "B," submitted to the general committee on transportation and communication by Vergara, of Chile:

In the conference of to-day of the subcommittee the Secretary of Finance of Uruguay, Dr. Cosio; the delegate of Argentina, Dr. Aldao; and the undersigned delegate of Chile formulated three separate projects for the establishment of fast maritime transportation between the interested countries.

In view of this fact and of the circumstance that the delegates of Colombia, Venezuela, Panama, and the Republics of Central America had expressed in the general meeting of the conference that their respective countries for the present have no interest in the proposed question it was agreed:

(a) That there should be only two lines of fast steamers; one to serve the ports of Brazil, Uruguay, and the Argentine Republic, and the other to serve Ecuador, Peru, and Chile.

(b) That the conditions affecting said lines are different.

(c) That the delegates from countries on the east coast of South America and the delegate from Chile should present their views on the question separately.

The delegate of Peru, Dr. Alzamora, stated that, notwithstanding he concurs in the proposition of the delegate of Chile, he is unable to sign this report, because he has no instructions from his Government, having been accredited to the conference by cable.

The delegate of Ecuador, Dr. Gonzalez, approves the general idea of the Chilean delegate, but he can not sign the report, lacking the necessary authorization from his Government.

The delegate of Chile is of opinion that the conference may, nevertheless, recommend to the interested Governments that the need for a fast maritime transportation service between the ports of South and North America may be obtained as follows:

(1) By the organization of a large company, subscription to the capital of which may be made by the public, the balance of the stock, if any, to be taken by the Government of the United States

and the Governments of those Latin-American Republics interested in a proportion to be agreed upon.

(2) The company to be incorporated under the New York laws, but the steamers to be registered in the different countries in proportion to the capital subscribed, and shall fly the flag of said country.

(3) For the purposes of customs laws the steamers to be considered as of the nationality of the port, except the coastwise trade, in those countries where that trade is reserved for nationals.

(4) The vessels to fulfill certain conditions e. g., minimum tonnage of 5,000 tons; minimum speed of 16 miles per hour.

(5) The board of directors shall be composed of representatives appointed by the respective countries in proportion to the capital subscribed.

(6) The payment of the capital subscribed may be made in cash or by transfer of vessels belonging to the Government subscribing provided said vessels are suitable.

(Signed) VERGARA.

The transportation committee recognizes the paramount importance of the transportation question and believes that the establishment of improved regular facilities is an imperative necessity to the expansion of the commercial and financial relations between the United States and the Republics of South and Central America.

The committee further realizes the complexity of the problems which the subject involves and recommends as an aid to their solution the reports of the subcommittees representing the east and west coasts of South America, with its approval of the general suggestions contained in such reports.

It earnestly recommends the serious consideration of such suggestions as practical propositions tending toward a prompt solution of the problems presented.

In order to insure continuous action and to avoid delays it recommends the appointment by the chairman of the Pan American Conference of a permanent committee, to be composed of representatives from the United States and from Argentina, Brazil, Uruguay, Chile, Ecuador and Peru. It should be the duty of this committee to obtain and furnish information pertinent to the subject and to take such other steps as in its discretion may seem fit or necessary to put into

effect the plans outlined in the reports of the subcommittees above alluded to and further to consider and report to the chairman of the Pan American Conference any other feasible, effective plan for the establishment of the desired expansion of shipping facilities.

In conclusion, it is the unanimous conviction of the committee that such plans should be adopted as will most speedily establish direct, effective, and permanent transportation facilities between the United States and the republics of South and Central America.

Washington, D. C., May 28, 1915.

(Signed)

S. HALE PEARSON, <i>Chairman</i>	Argentina
R. C. ALDAO.....	Argentina
V. VILLAMIL.....	Argentina
JOHN E. ZIMMERMANN.....	Argentina
AMARO CAVALCANTI.....	Brazil
L. IZQUIERDO.....	Chile
AUGUSTO VILLANUEVA.....	Chile
GONZALO VERGARA BULNES.....	Chile
VINCENTE GONZALEZ.....	Ecuador
ISAAC ALZAMORA.....	Peru
EDUARDO HIGGINSON.....	Peru
PEDRO COSIO.....	Uruguay
GABRIEL TERRA.....	Uruguay
CARLOS MARIA DE PENA.....	Uruguay
DAVID R. FRANCIS.....	U. S. A.
EDWARD N. HURLEY.....	U. S. A.
GEORGE W. NORRIS.....	U. S. A.
FRANKLIN Q. BROWN.....	U. S. A.
PAUL FULLER.....	U. S. A.
R. GOODWIN RHETT.....	U. S. A.
SOL WEXLER.....	U. S. A.
J. G. WHITE.....	U. S. A.

It is a long time since so important a movement has been seriously encouraged to improve rapid and frequent communication with South America. One of the earliest results of the so-called Ocean Mail Act of 1891, under which the American Line steamers, St. Paul, St. Louis, New York and Philadelphia now operate across the Atlantic, and the Ward Line, Red "D," and Oceanic Steamship Companies carry the United States Mail to Mexico, Venezuela and Australia was the establishment of a mail route to Brazil by the United States and Brazil Mail Steamship Company. The venture was a failure and the additional compensation for carrying the mails, allowed under the terms of the Act, proved inadequate to offset the extraordinary expenses of the service. Since then the Postoffice Depart-

ment has advertised more than once for contract ocean mail service to South America but without success.

The interesting and really vital consideration of the proposal which has grown out of the Pan American Financial Conference lies in the altered trade conditions resulting from the war. One of the primary reasons of failure to establish American lines to South America has not been our wrongly abused navigation laws but the economic conditions which have accompanied them. Up to the present time, there has been a growing market for manufactures of the United States in South America but not a corresponding increase in the demand in this country for the raw products which come from and form the chief exports of those countries. Consequently it has been a comparatively simple matter for steamers sailing from the United States to load full cargoes, but it has been a very different matter for them to arrange a successful return voyage. Only two or three years ago an effort was made to start a line of steamers from our chief gulf port to Rio, with chartered steamers. The company started with quite inadequate capital, it is true, but at the same time had little or no difficulty in filling the first steamer with a complete cargo. The whole venture vanished into thin air when it came to making a profitable return voyage. Of course the promoters claimed the failure was due to the combined efforts of foreign established steamship companies practically to boycott them. The real cause of failure lay deeper. The foreign lines had engaged all the cargo there was to come back and there was no reason in the world why they should share it with a new comer.

It would consequently appear inevitable that any venture to establish new lines of steamship companies on direct routes between the United States and the more distant countries of the East and West Coast of South America must be prepared in advance to stand initial losses. A balanced direct trade between these distant points of contact has still to be developed. One of the most encouraging features growing out of the war has been the proportionate increase in imports into the United States from Argentina and other more distant countries of South America. Hitherto these particular countries have bought a great deal more from the United States than they have sold to it. Or, like Brazil, the trade has been equally unbalanced in the other direction.

Arbitration and Pan American Trade

A Definite Result of the Conference, a Practical Movement to Settle Trade Disputes

COMMERCIAL intercourse depends fundamentally upon both buyers and sellers being satisfied with their bargains. Dissatisfaction most frequently arises from feeling on the part of one of the sides that the other side has not performed its duty under the contract. For the removal of dissatisfaction of this kind a decision upon points of controversy, by men who are versed in the trade in question, is much more efficacious than resort to courts of law, with their delays, their expense, their technical rules of evidence, and their lack of a thorough understanding of the trade conditions surrounding a transaction.

In all parts of the world where men assemble to buy and sell particular kinds of merchandise, they resort to arbitration for the settlement of their misunderstandings, accepting the determinations of their fellow traders. Arbitration of this kind is very ancient, and has long been recognized by law in some countries.

Development of Commercial Arbitration

In recent years extension of the principle of arbitration, in order to promote confidence and friendship among citizens of different countries who have commercial relations, has been much discussed. For example, at the Sixth International Congress of Chambers of Commerce, which met in Paris last June, a number of reports were received concerning possible ways of promoting international arbitration for commercial disputes, and making its application uniform in all important countries. At the congress the proposals of the American delegates received special attention. The congress, however, did

not itself reach immediate results, but suggested that an international conference be called to formulate definite plans. Before such a conference could assemble, the European war made any general participation impossible, and consequently this conference has been indefinitely postponed.

Delegates from Latin American countries who attended the Pan American Financial Conference at Washington in the last week of May gave earnest expression to their conviction that arrangements for arbitration of misunderstandings arising in trade between their countries and the United States would greatly facilitate commercial intercourse. The delegates from Argentina, Dr. Samuel Hale Pearson and Dr. Richard C. Aldao, particularly emphasized the need for business arbitration by business men. The joint committee of Argentinians and representatives from the United States who devoted their attention to Argentina, adopted a formal resolution on the subject, the large general committee of the conference on uniform commercial laws emphasized its importance, and the delegates of such countries as Cuba and Venezuela gave their express support.

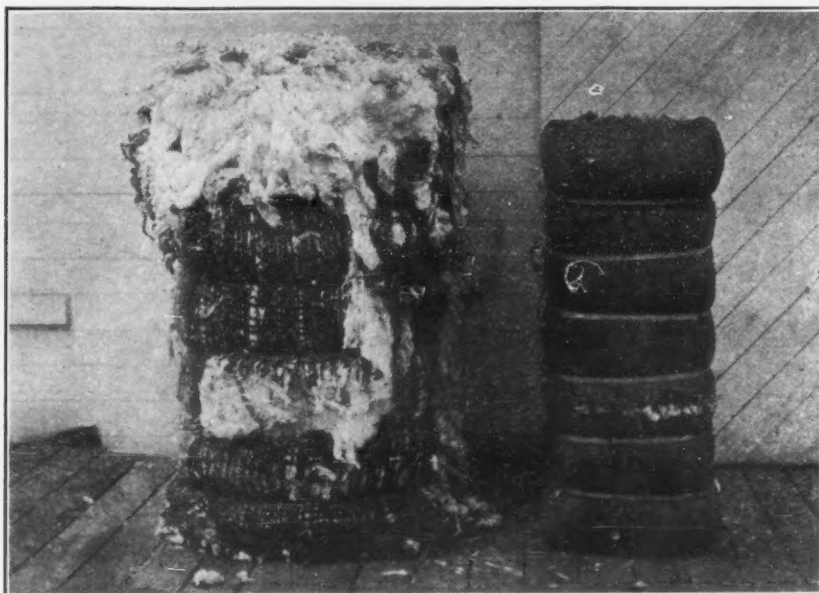
As a result of action by the Argentina Committee, in conjunction with action by the Executive Committee of the Chamber of Commerce of the United States, a joint committee was immediately appointed to meet in New York during the following week and arrive at a concrete plan for commercial arbitration between Argentina and the United States. On this committee Dr. Pearson and Dr. Aldao were designated for

Argentina, and the following gentlemen were designated by the Chamber of Commerce of the United States: Messrs. Frank A. Vanderlip, President of the National City Bank, James G. White, of J. G. White and Company, engineering contractors, Charles L. Bernheimer, chairman of the Committee on Arbitration of the New York Chamber of Commerce, William S. Kies, in charge of matters of Latin American trade for the National City Bank, and John H. Fahey, President of the National Chamber.

The Argentine-United States Agreement

This committee recognized the technical difficulties which have often been considered as obstacles in the way of the formation of a successful plan, but, being earnestly intent upon devising a plan which would be immediately effective, and acceptable to all interests, the committee reached conclusions which are very practicable. The principles, accepted by the committee, are set out in an agreement into which the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States are formally to enter. This agreement is printed in full below. Details for the application of the principles have been placed in Rules of Arbitration, which cover such points as the form in which the parties are to submit their controversy to arbitration, the form an award is to take, the method by which the necessary expenses are to be assessed, and the like.

Arbitration under this plan will be wholly voluntary, but will undoubtedly prove so advantageous that it will be widely accepted and prove a highly useful instrumentality for re-



PROPER AND IMPROPER METHODS OF PACKING COTTON.
(a) An ordinary gin box bale. After sampling and arrival at mill; (b) A Neely bale after transportation by rail and sampling—the proper way.



DAMAGED AMERICAN AUTOMOBILE, CONDITION IN WHICH THE FRONT SIDE ARRIVED. AN EXCELLENT EXAMPLE OF CARELESSNESS.

SAMPLES OF FAULTY AMERICAN PACKING—ONE OF THE MOST FREQUENT CAUSES OF COMMERCIAL DIFFERENCES BETWEEN MERCHANTS OF THE UNITED STATES AND THOSE OF LATIN AMERICA.

(From photographs supplied by the Bureau of Foreign and Domestic Commerce of the Department of Commerce)

moving causes for feelings of disappointment, whether Argentinians are selling to buyers in the United States or United States exporters are making sales to Argentinians. In providing for arbitration, the parties to a contract are perfectly free to agree that arbitration is to be effected in either country. Behind the awards of arbitrators will stand the influence of the Buenos Aires Chamber of Commerce and commercial organizations in the United States. Both the Committees on Arbitration, which will have administrative functions only, and the lists of men from whom arbitrators will be chosen are to be so constituted that each country will have adequate representation. At every possible point, the agreement has provisions which are intended to guarantee impartiality.

The plan for commercial arbitration between residents of Argentina and residents of the United States will become a model for similar plans which will undoubtedly be put into operation between other Latin American countries and the United States. Consequently, this agreement has importance not only as one of the first concrete results of the Financial Conference, but also as an indication of the influences which in the future will assist in fostering confidence and good feeling among American republics.

AN
Agreement
BETWEEN
The Chamber of Commerce of
Buenos Aires
AND
The Chamber of Commerce of the United
States of America

Whereby these organizations, seeking to inspire and maintain confidence in the business relations between citizens or residents of their respective countries, provide a system of arbitration for settlement of commercial disputes in an impartial, inexpensive, and expeditious manner.

I.
The two Chambers will urge that in all contracts between merchants of the Argentine Republic and the United States of America, there should be inserted a standard clause to the effect that in the event of controversy concerning interpretation, fulfillment, or performance of the contract, such controversy shall be submitted to arbitration, under rules agreed upon between the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States of America.

II.
The form of the standard clause mentioned in Article I, should be as follows:

"All disputed questions which may occasion controversy relating to this contract, shall be submitted to arbitration under the rules adopted jointly by the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States of America."

III.
If a contract is negotiated by cable, the parties may use the word "Arbaires," to indicate an agreement to arbitrate differences, in accordance with the above standard clause, the arbitration to occur in Buenos Aires, and the word "Arbanyork," to indicate an agreement so to arbitrate, the arbitration to occur in the City of New York.

IV.
In providing for arbitration of differences, the parties must always fix in their contract the place where

the arbitration is to occur, but if the parties do not so designate a place, the arbitration shall occur in the country in which the goods are to be delivered to the purchaser.

V.
If the parties have not agreed upon arbitrators within 30 days after either party to a contract has given notice of his desire for arbitration, the Committee on Arbitration of the Chamber of Commerce of Buenos Aires, if the arbitration is to occur in the Argentine Republic, or the Committee on Arbitration of the Chamber of Commerce of the United States, if the arbitration is to occur in the United States, shall have authority, acting in accordance with this agreement and the Rules of Arbitration, to select three impartial persons, who may proceed in the arbitration with the same force and effect as if they had been agreed upon by the parties.

VI.
Each of the Chambers undertakes to create immediately a Committee on Arbitration, to be composed of five persons serving for stated periods. Two of the members of the Committee on Arbitration of the Chamber of Commerce of Buenos Aires shall be nominated by the Chamber of Commerce of the United States, subject to the approval of the Chamber of Commerce of Buenos Aires, and three of the members of said Committee shall be nominated by the Chamber of Commerce of Buenos Aires, subject to the approval of the Chamber of Commerce of the United States, one of the latter group to be designated by the Chamber of Commerce of Buenos Aires as Chairman of the Committee. The Committee on Arbitration of the Chamber of Commerce of the United States, and its Chairman, shall be nominated, approved, and designated in a reciprocal manner.

The Committee on Arbitration of each Chamber shall have general powers of supervision and administration in connection with arbitration which occur in its country under this agreement, and shall have the duty to advance in every way in its power the principle of arbitration for the amicable settlement of commercial disputes.

VII.
When a dispute shall arise over a contract containing the clause suggested in Articles I and II of this agreement, either of the disputants may bring his desire for arbitration to the attention of the other party, and of the Committee on Arbitration of the country in which the arbitration will occur, according to the terms of the contract, or according to Article IV of this agreement. The Committee on Arbitration shall thereupon notify the other party to the dispute, and shall proceed with the case according to this agreement and the Rules of Arbitration.

VIII.
Each of the Chambers undertakes to maintain an Official List of Arbitrators, on which there shall be who represent as many different kinds of business as possible. On the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires, fifteen names shall be nominated by the Chamber of Commerce of the United States, subject to the approval of the Chamber of Commerce of Buenos Aires, and fifteen names shall be nominated by the Chamber of Commerce of Buenos Aires, subject to the approval of the Chamber of Commerce of the United States. The former group of fifteen names shall be known as the Argentine Section of the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires, and the latter group of fifteen names shall be known as the United States Section of the Official List of Arbitrators of the Chamber of Commerce of Buenos Aires. The Official List of Arbitrators of the Chamber of Commerce of the United States, and the designation of its two sections, shall be ascertained in a corresponding manner. The number of names on the Official Lists may from time to time be increased or changed, the changes in the Official Lists to be made in the same manner as the lists were originally created.

IX.
When the parties to a controversy have not otherwise chosen arbitrators, they shall make selections

from the Official List of the country in which the arbitration is to occur. In the event that each party has chosen an arbitrator from his national group, and the parties cannot agree upon a Third Arbitrator, the Third Arbitrator is to be selected by the Chairman of the Committee on Arbitration of the country in question, who shall proceed by taking from each section of the Official List of his Chamber of Commerce, the names of the three persons, who, by their business experience are best able, in his opinion, to render impartial judgment, and by ascertaining an order of preference among these six names by drawing lots. The man whose name is first drawn shall be accepted as Third Arbitrator, if he is able to serve; otherwise, the man whose name is drawn second shall be accepted, and so on.

X.
The two Chambers hereby agree that each will enforce, to the full extent of his influence, the awards made as the result of this system of arbitration, each giving full faith and credit to all awards which are made, in accordance with this system, and which are officially communicated to it. Upon being so informed of an award with which a resident of its country has not complied, the Chamber in question shall bring the award to the attention of the person concerned. If he persists in his failure to comply with the award, the Chamber shall prefer a complaint against him to any Chamber of Commerce or association of which he is a member, and shall press its charges to the full extent of its power.

XI.
The two Chambers undertake to publish quarterly, or more frequently, if advisable, a bulletin in which will be given a resume of the decisions which have been rendered in arbitrations, a list of the awards made, and the results of each award. This bulletin shall contain the firm name of any party refusing to comply with an award, together with a statement of the reasons, if any, given by him for his refusal.

XII.
If a controversy, which is submitted to arbitration, involves merchandise, the Committee on Arbitration, which will have supervision of the case, may, after communication with the parties, sell the merchandise, or take such action as may, in their judgment, be advisable to avoid increased loss. The proceeds of such sales shall be deposited in bank to await the award of the arbitrators.

XIII.
The several provisions of this agreement shall be given effect in accordance with regulations formulated by the two Chambers and approved by each of them. These regulations shall be known as the Rules of Arbitration, and shall contain, among other things, suitable provisions for taking testimony, in writing, between the parties, for hearing the parties, either orally or in writing, or both, as may be most convenient, and for payment of expenses of arbitration, and fees of the arbitrators.

XIV.
Nothing in this agreement contained shall be construed as against the making of special agreements for arbitration in connection with any specific transaction, or as against agreements covering a series of transactions and business relations over an extended period. It is the purpose of this agreement to encourage all agreements for arbitration between residents of the Argentine Republic and the United States of America, when not inconsistent with the principles herein set forth, and such agreements, when filed with the respective Chambers of Commerce, shall receive the moral support of both Chambers of Commerce.

XV.
This agreement shall become effective upon an exchange of ratifications between the two Chambers at any time within one year from July 1, 1915. Either Chamber may withdraw from this agreement by giving notice of one year, but no such withdrawal shall in any way affect arbitrations which may be pending, under this agreement, at the time of the notice, or at the time of the termination of the agreement.



SOUTH AMERICA, SHOWING THE PRINCIPAL STEAMSHIP LINES CONNECTING THE CONTINENT WITH NORTH AMERICAN PORTS.

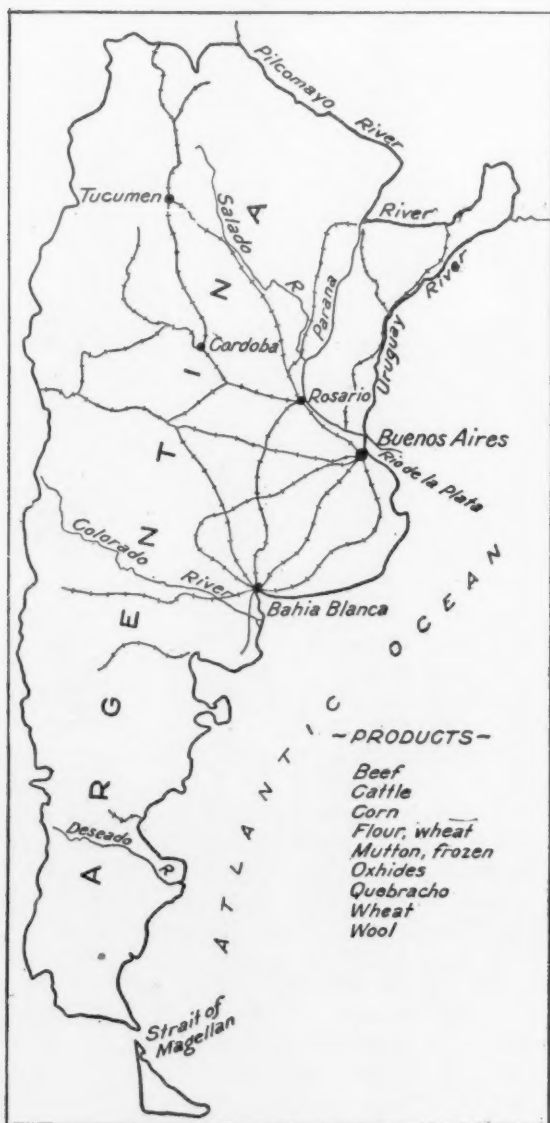
(The question of transportation from the South American ports to the United States was one of the vital topics of discussion at the Conference. The railroad lines and other detailed information concerning the individual countries are to be found on the separate maps which appear in connection with the articles immediately following. No lines of communication with Europe are shown.)

The Truth About Pan American Trade

What the Latin Americans Brought to the Conference and the Results

Argentina

Area, 1,153,418 square miles; Population, 9,000,000; Language, Spanish; Capital, Buenos Aires; Population, 1,700,000.



CONFERENCE COMMITTEE.

Chairman.

HON. SAMUEL HALE PEARSON.

Official Delegation.

HON. SAMUEL HALE PEARSON.

HON. RICHARD C. ALDAO.

HON. V. VILLAMIL.

HON. JOHN E. ZIMMERMAN.

Special Guest of the Secretary of the Treasury.

THE ARGENTINE AMBASSADOR.

Representatives from the United States.

Delano, Hon. F. A., Vice-Governor Federal Reserve Board.

Flood, Hon. Henry D., Member of Congress, Appomattox, Va.

Gary, Elbert H., U. S. Steel Corporation, New York.

Joy, Benjamin, National Shawmut Bank, Boston.

Schiff, Mortimer L., Kuhn, Loeb & Co., New York.

Schmidt, George P., Schmidt & Gallatin, New York.

Schoonmaker, S. L., American Locomotive Co., New York.

Sherrill, Hon. Charles H., New York.

Sulzberger, G. F., Sulzberger & Sons Co., New York.

Vanderlip, Frank A., President National City Bank, New York.

White, J. G., J. G. White & Co., New York.

Jara Almonte, Group Secretary.

Data Brought by the Delegation

THE preparations devoted by the various delegations to the success of the Conference is well-illustrated in the case of Argentina. This delegation consisted of four distinguished representatives of Argentine finance and commerce, in the persons of Mr. Samuel Hale Pearson, one of the most prominent men in Argentine banking, railroad and business affairs; Mr. Richard C. Aldao, a distinguished corporation lawyer and formerly Minister of Finance of the Province of Buenos Aires, Mr. V. Villamil and Mr. John E. Zimmerman, representing the Buenos Aires Chamber of Commerce.

As the work of the Conference was planned to cover both financial and commercial questions,

the two leading delegates of Argentina divided their preliminary efforts, Mr. Pearson presenting a memorandum on Argentine finance and Mr. Aldao a memorandum covering the commercial questions at issue.

Mr. Pearson's memorandum gave a brief review of the growth of Argentine banking from the foundation of the bank of the Province of Buenos Aires in 1802. The foundation of this bank was accompanied very largely by close relations with Messrs. Baring Brothers & Company of London, and shows that, in the very beginning, the development of Argentine finance was supported by foreign interests. The prominent part played also by the London and River Plate Bank, the London-Brazilian Bank and the various German, Italian, Spanish and Dutch banks, aggregating a total capital of about \$300,000,000, has been shared in only occasionally by American banks. Messrs. J. S. Morgan & Company of London contributed to loans in the eighties and nineties, and in 1882 Morton, Bliss & Company of New York, now known as the Guaranty Trust Company, entered the field and has since continued its friendly relations and financial connections and has been the only American banking concern which, until recently, transacted important business. Now the National City Bank, which last year negotiated a loan of \$15,000,000 with its associates for the Argentine Government, and very recently managed a further loan of \$25,000,000, has established a branch in Buenos Aires and entered permanently and definitely into the field hitherto controlled so largely by European banks.

The development of Argentina has been assisted materially by the National Bank of Argentina. This bank is managed quite independently of the government although its directors are nominated by the President of the Republic and confirmed by the National Senate. It has more than 150 branches throughout the country, and is constantly increasing them. While it has no agencies abroad, it is expanding its friendly relations with foreign banks including some of the principal institutions in the United States. Its deposits have now reached over \$300,000,000 in gold, and its general assistance to the development of the country has been supplemented by the National Mortgage Bank, an institution managed on much the same lines. This is authorized to issue loans guaranteed by real estate which can be used as security up to 50 per cent of the value of the land. Loans are limited to \$250,000 to any one person.

The memorandum by Mr. Aldao, covering commercial questions, included in its scope the question of uniformity of commercial laws, fast maritime transportation, the creation of an international committee on commercial arbitration, and suggested the adoption of the 25 cent piece as the monetary unit for all American Republics. Mr. Aldao also touched on the question of ultimate immigration from the United States to Argentina and laid particular emphasis on the permanent, or at least long-time, investment of more American capital, and the increase of mutual markets in Argentina and the United States for the exchange of each others products. He emphasized the point that all of these desirable ends could be furthered by certain improvements in commercial law, improved and faster steamship service, and by greater simplicity and uniformity in commercial regulations and legal requirements. Not only was the establishment of one or more large stores for the exhibition and sale of American products urged, but it was also pointed out that the establishment of American wholesale importing houses would do more than anything else to further the purchases of American manufactures. Mr. Aldao pointed out that

the import trade of Argentina was principally in the hands of European merchants who had established houses in Argentina, and that the most successful way for Americans to compete with these foreign interests was to establish similar houses of their own.

Results of Committee Conferences

The points covered in the two memoranda submitted by Messrs. Pearson and Aldao were taken up in the Argentine group committee and, after a very careful review of the topics of discussion suggested by the Secretary of the Treasury as a general guide for all the group committees, this group centered its attention on the following general questions:—Transportation, cheaper telegraphic communication, trading facilities, and increased banking facilities. The discussions of these questions were carried on with a marked degree of frankness and lack of formality, and resulted in developing an agreement of views which were embodied in a series of resolutions of great importance.

In the memorandum of resolutions it is first urged that the interchange of passenger traffic and the more rapid transportation of the mails are essential for the further development of profitable relations between the two countries. To this end the conference recommended the cooperation of the Argentine and United States government for the establishment of a fast steamship line which would provide 15 day service twice a month between Buenos Aires and New York.

As mail service is insufficient in modern times for the prompt transaction of business, the use of the telegraph and cable becomes necessary. At present the rates between the two countries are high and direct service lacking. Consequently, the committee recommended the establishment of lower rates for direct service, in cooperation, when desirable, with other Latin American countries. On the same ground of favorable and friendly intercourse the committee endorsed the recommendation of Mr. Aldao for the establishment of a system for the arbitration of commercial disputes.

The committee also urged that American manufacturers should be granted legal authority to cooperate in export business, either by joint selling arrangements, or by subscribing to securities of wholesale or jobbing companies which might establish and operate adequate warehouses and show rooms, or unite in other ways to develop export business. Here again the committee endorsed the point urged by Mr. Aldao that the import trade of Argentina was in the hands of foreign houses, and that similar American houses would have to be established in order to carry on a successful increase of American business. The committee finally urged the establishment of banking facilities, based upon mutual profit and cooperation, which would effect a more intimate and reciprocal relation than now exists.

The next move is to make these recommendations effective in practice. The question of banking facilities is already forwarded by the recent establishment of branches of the National City Bank at Buenos Aires and Rio de Janeiro. Moreover other American banks and also the Federal Reserve Board have now under consideration the advisability of further extensions of American banking facilities. Not the least important contribution of the Argentine group committee is the resolution for the establishment of the arbitration of commercial disputes, a practice which is becoming a recognized necessity in foreign trade. In the words of the group conference report, "the only basis upon which commerce and banking can be successfully developed must necessarily rest upon the principle of fairness and mutuality of advantages."

Brazil

Area, 3,292,000 square miles; Population, 24,000,000; Language, Portuguese; Capital, Rio de Janeiro; Population, 1,500,000.



CONFERENCE COMMITTEE.

Chairman.

HON. AMARO CAVALCANTI.

Official Delegation.

HON. AMARO CAVALCANTI.

Special Guest of the Secretary of the Treasury.

THE BRAZILIAN EMBASSADOR.

Representatives from the United States.

Warburg, Hon. Paul M., Federal Reserve Board.
Cone, Caesar, Greensboro, N. C.
Forgan, J. B., President First National Bank, Chicago.
Lage, Frederick, New York.
Kies, W. S., New York.
Moore, Hon. John Bassett, New York.
Morgan, J. P., J. P. Morgan & Co., New York.
Rice, E. W., President General Electric Co., New York.
Sutter, Charles S., St. Louis.
Thomas, E. P., President United States Steel Products Co., New York.
Wharton, Elias Q., Otis Elevator Co.
Wing, Daniel G., President First National Bank, Boston.
Charles Ray Dean, Group Secretary.

Data Brought by the Delegation

THE work of the committee was facilitated by a preliminary memorandum presented by the Brazilian delegate, Dr. Amaro Cavalcanti, formerly a distinguished judge of the Supreme Court of Brazil. Dr. Cavalcanti emphasized the adverse balance of trade existing between the United States and Brazil, contrasting it with the favorable conditions which attend the commercial intercourse between Brazil and the principal countries of Europe, notably the Netherlands, France and Austria-Hungary. He claimed the explanation lies in a number of causes which contribute to hamper exports from the United States to Brazil.

First of all, there seems to be a very confused idea of existing commercial and financial conditions and a lack of initiative in studying the situation with a view to opening up new markets,

American flour, as a result of a special discrimination in its favor, enjoys a reduction of 30 per cent duty in all ports of Brazil. Outside of this and one or two other lines of export, American business men have shown a great lack of enterprise. One of the great impediments is the irregular and slow steamship service. Fast European steamers ply at regular and frequent intervals between Europe and Brazilian ports, bringing not only cargoes but also passengers and mails. Further than this, Americans have not only shown a lack of interest in studying the character and prices of the goods offered by their European competitors; they have also failed to acquire a knowledge of what is being manufactured and supplied by Brazil itself.

Brazil is a country exceptional among the American republics. Its area is enormous and confines the mightiest river system in the world, the Amazon, with the comparatively unexplored and distant areas which is drained by its tributaries. In this vast expanse is settled a scattered population, estimated at some 24,000,000 souls, inhabiting a country some 200,000 square miles larger than the United States. There is every variety of climate from the temperate to the extreme torrid. The great bulk of the population is settled close to the Atlantic sea coast. Yet ocean going steamers sailing from New York unload their cargoes at Manaus, on the Amazon, 1,000 miles and more inland.

Dr. Cavalcanti was emphatic on the point that no preference existed in Brazil for European over American goods. Purchases were governed by price, quality and terms of credit. The net result can be expressed in figures. Thus, from 1910 to 1913, Germany exported to Brazil \$101,056,000, and Great Britain \$15,449,000 more than they took from that country whereas the United States, during the same period, shows the exact antithesis in an unfavorable balance, amounting to \$365,566,000. In other words, we import vast amounts of coffee and other natural products

from Brazil and send back comparatively small shipments of manufactured goods in return, whereas England and Germany do just the opposite. Dr. Cavalcanti concluded by remarking that the two branches of the National City Bank opened in Rio and Santos last April, while a step in the right direction, are, so far, operating under such limited conditions that they do not and cannot as yet fulfill the end in view.

Results of Committee Conferences

The final report of the conference committee, made after several days of close and frank discussion, reflects the impress of Dr. Cavalcanti's memorandum, although the foreign element on the committee consisted of Dr. Cavalcanti himself alone. The committee, for purposes of expedition and efficiency, divided itself into two sub-committees, one on banking and one on trade and commerce. The two sub-committees presented separate reports which were adopted unanimously by the committee as a whole and included in its final report.

A study of the subject made it immediately evident that the question of banking had to be divided into two parts, one dealing with government and corporate financing, and the other with commercial banking. The principal phase of commercial banking interesting to American exporters and Brazilian merchants is that concerned with financing transactions connected with the importation and exportation of goods. On the other hand, the question of local banking cannot be ignored although, in the relations of one country with another, this latter phase must necessarily be less important. What the committee in its report terms "acceptance business," transactions dealing with the acceptance by banks of commercial paper of one kind or another, can be developed at once and regardless of the fact whether or not the banks concerned in either country have established branches in the other country. At the same time the growth of business of this kind could be much facilitated if there existed definite regulations and a clearer definition of acceptances, endorsements, warrants and warehouse receipts. The committee also urges what has many times attracted attention, namely the advisability of establishing, in the various countries of South and Central America, warehouses of such standing that receipts issued against goods stored in them would have a solid, recognized commercial value.

In regard to local banking, the committee went so far as to urge the establishment of American branches representing a group of American banks instead of merely one bank, realizing that at first progress must be slow and expenses of operation heavy. The committee repeats its realization that American branch banks will come into the field without the experience of the foreign banks already established on the spot and consequently at some disadvantage. Nevertheless, the results ultimately obtainable are seen to be positive.

The sub-committee on trade and commerce seized at once upon the obvious necessity of familiarizing people in the United States with actual conditions in Brazil, and went so far as to recommend the particular study of South American customs, languages and conditions in the educational institutions of this country. A number of practical questions are also given special emphasis. More broad gauge customs regulations, effective protection of trade marks, reliable credit information, dollar exchange, the establishment of standards of quality, weight and measure, reciprocal tariff concessions between all American countries, rapid, regular and frequent steamship service, the extension of two-cent letter postage, and a general parcel post and money order system for the republics of the western hemisphere, direct wireless and cable service and a more reliable and comprehensive circulation of press news among all the countries concerned, were also urged strongly by the committee and give a good idea of the practical range of the investigations.

Chile

Area, 292,100 square miles; Population 5,000,000; Language, Spanish; Capital, Santiago; Population, 500,000.



CONFERENCE COMMITTEE.

Chairman.

HON. LUIS IZQUIERDO.

Official Delegation.

HON. LUIS IZQUIERDO.

HON. AUGUSTO VILLANUEVA.

HON. GONZALO VERGARA BULNES.

Special Guest of the Secretary of the Treasury.

THE AMBASSADOR OF CHILE.

Representatives from the United States.

Hamlin, Hon. Charles S., Governor Federal Reserve Board.

Davison, Henry P., J. P. Morgan & Co., New York.

Eaton, Frederick H., President American Power & Foundry Co., New York.

Flint, Charles R., New York.

Frederick, Leopold, New York.

Green, C. A., R. G. Dun & Co.

Guggenheim, Daniel, President American Smelting & Refining Co., New York.

Johnson, Alba B., President Baldwin Locomotive Works, Philadelphia.

Johnston, Archibald, First Vice President Bethlehem Steel Corporation, New York.

Norton, Charles D., First National Bank, New York.

Roskoff, John J., Treasurer E. I. du Pont de Nemours Powder Co.

Ryan, John D., President Amalgamated Copper Co., New York.

Mr. Martinez de Alva, Group Secretary.

Data Brought by the Delegation

THE Chilean delegation was typical of the distinguished character of the representatives sent by the Latin American Governments. Mr. Izquierdo, chairman of the delegation, was formerly minister of foreign affairs and is now a deputy in the National Congress, with a distinguished career as a diplomat behind him. The second member of the delegation was Mr. Villaneuva, Director General of the Bank of Chile and perhaps the leading Chilean authority on subjects of finance. The third member was Mr. Vergara Bulnes, a leading lawyer and an authority on international questions of economics.

The settlement of the countries of Latin America has been as various as their physical conditions which range from the tropical and semi-tropical to the desolate, cloud-cast bleakness of the southern portions of Chile and Argentina. The original Spanish conquerors in some of the countries only succeeded in superimposing an upper class of bureaucrats and speculators on the native Indian population. In other cases the native population was practically exterminated in the course of years and the labor it represented replaced by importations of negroes from Africa. Chile affords one of the examples where the entire settlement has been practically homogeneous and European. The European element not only composes the entire governing and wealthy classes but also forms the backbone of the nation. The future development of the country offers the brightest prospects from this fact.

Results of Committee Conferences

Two of the principal questions brought forward by this delegation were referred to two general committees of the conference, one on transportation and one on uniform laws relating to trade and commerce. Nevertheless the report of the committee was of great practical significance. In brief, the committee recommended the encouragement of connections and intercourse between the established financial institutions of South American countries and those of the United States, so that each may avail itself of the acquired experience of the other. It is essential that the banks here and there should be qualified to draw bills of exchange upon each other in the same way as is now done between Europe and Chile. Necessary legislation to this end was urgently recommended.

With the same purpose, the committee suggested that wherever necessary, laws be enacted to establish bonded warehouse warrants and receipts, so as to make available collateral security for the development of international commerce. The committee also adopted a recommendation put forward in a special memorandum by one of the American members appointed by the Secretary of the Treasury, to confer with the official delegates of the Chilean government. This memorandum suggests the advisability of permitting the payment of such part of the Chilean export duties on nitrate sent to the United States, as

are now payable in 90-day sight drafts on London, by means of 90-day sight drafts on New York in American dollars, at such rate of exchange as may be periodically fixed by the proper Chilean authorities. This recommendation in itself will do much, once it is carried into effect, to establish a permanent dollar exchange.

In considering this recommendation the conference committee took into consideration the fact that since the outbreak of the European war, transactions in dollar exchange have reached considerable proportions, one group of American companies alone reporting the sale of more than \$2,000,000 worth of bills. This arrangement will not only make the Chilean nitrate exporters less dependent on London, but will also do much to stimulate general transactions in dollar exchange, bringing a larger supply of 90-day bills to financial centers in this country where they can be discounted through the Federal Reserve Banks.

The financial side of trade development naturally includes the question of credits. Merchants in Chile are accustomed to credits sufficiently long to enable them to realize upon their goods and thus procure funds to meet their obligations. The committee pointed out the desirability of such necessary changes in the laws of the United States as will enable banks to extend their credit, discount and rediscount facilities so as to conform to the trade customs and necessities of Latin America. Here again the extension of banking facilities is shown to carry with it one of the vital features of foreign trade, namely credit. The lack of such facilities deprives expanding foreign trade of its vital force.

The two other points emphasized by the Chilean delegation are of paramount importance, and their general treatment is outlined in the reports of the general committees to which they were referred. Transportation and shipping facilities are the arteries of international commerce. The opening of the Panama Canal has been attended with a convulsion of world trade which has yet made impossible a complete realization of its ultimate effects. But those of the Latin American delegates attending the conference have forecast clearly, in their own minds, just what this new sea route may mean to them. Equally clear to their business understanding is the effect of the flag on commerce. They figure on the appearance of American shipping and the increased financial transactions which will attend its growth.

The second question referred to general committee on uniform laws relating to trade and commerce included an urgent recommendation for the establishment of a permanent inter-American commission to study commercial problems and conditions in the various countries, and particularly the customs, laws and regulations now in force, and the possibility of a uniform customs classification of goods for customs purposes. Uniformity of port dues and regulations was also urged.

A glance at the accompanying map of Chile will indicate its interesting character. With an average breadth of only a little over 100 miles, the coast line stretches from the torrid zone to the frigid climate and tempestuous winds of Cape Horn; nearly three thousand miles of coast, backed its entire length by the lofty and unsailable rampart of the Andes. The south is heavily wooded, while the north is an arid upland plateau rising from the sea, contributing, nevertheless, untold wealth from its beds of nitrate. Nitrate of soda, copper, iodine and borate of lime; these, at present, are the principal industries of Chile today. But the development of the sheep and cattle raising districts in the southern part of this strangely proportioned country, bids fair to make the ports in this section one of the important shipping centers of the world in the not far distant future. The Chilean government has never yet passed a payment on its bonds, and its political stability has long been well-established. Already it supports a government subsidized line of steamships, plying between Chilean ports and as far north as the Isthmus of Panama. Its people are highly intelligent and enterprising, and its delegation contributed a most interesting and substantial part to the success of the conference as a whole.

Colombia

Area, 438,000 miles; Population, 5,500,000; Language, Spanish; Capital, Bogota; Population, 125,000.



CONFERENCE COMMITTEE.

Chairman.

HON. SANTIAGO PEREZ TRIANA.

Official Delegation.

HON. SANTIAGO PEREZ TRIANA.

HON. ROBERTO ANCIZAR.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF COLOMBIA.

Representatives from the United States.

Davies, Hon. Jos. E., Chairman Federal Trade Commission.
Bancroft, Chas. G., President International Trust Co., Boston.
Correll, Frank E., Secretary National Canneries' Association, Washington.
Hart, Francis R., Old Colony Trust Co., Boston.
Jaffray, C. T., Vice President First National Bank, Minneapolis.
Meredith, E. T., Des Moines, Iowa.
Muehnic, Charles, Manager Foreign Sales Department, American Locomotive Co., New York.
Potter, W. C., Guarantee Trust Co., New York.
Simmons, W. D., Simmons Hardware Co., Philadelphia.
Straight, Willard, J. P. Morgan & Co., New York.
N. A. Dunaway, Group Secretary.

Data Brought by the Delegation

THE most eloquent remarks made in the open sessions of the Conference by members of the visiting delegations from Latin America were contributed by Mr. Santiago Perez Triana, head of the Colombian delegation and formerly Colombian Minister to Great Britain. Mr. Triana is an authority on finance and trade, and in his speech on America for the Americans, practically struck the keynote of the Conference.

The work of the Colombian Conference Committee was very much facilitated by three memoranda submitted by the Colombian delegates, one dealing with opportunities of investment for foreign capital in Colombia, the second with the public and private financial situation in the country, and the third with Colombia's foreign trade. The first memorandum showed clearly that the greatest degree of prosperity which lies before this interesting country will only be attained when its natural resources have been further developed by foreign capital. Colombia is larger than Germany and France together, and larger than all the coast states from Maine to Florida, including Ohio and West Virginia. It has a coast line of 1,600 miles along the Caribbean Sea, and 1,500 miles along the Pacific, and is the largest and richest country adjacent to the Panama Canal.

The amount of money in circulation in Colombia is estimated to be something less than \$25,000,000, and the capital of its four leading banks aggregate only about \$4,350,000. All four of them, however, in the last six months of 1914 showed net profits in proportion to their capital, ranging from 3½ to 13 per cent for the half year. The Government of Colombia has authority to grant concessions for banks to issue notes,

but has not actually done so at the present time. It would, consequently, seem that all the paper currency now in use in Colombia is issued by the government. The foreign debt for loans as well as for subventions and guarantees of interest on railways is payable in London and aggregates less than \$20,000,000, an average of about \$3.60 per capita. If a foreign debt of \$25.00 per capita of 5,500,000 inhabitants in Colombia be estimated as a reasonable indebtedness for such a country, Colombia's borrowing capacity would be \$140,000,000, a sum which would allow for the government to back undertakings very much in excess of those which now exist.

The principal fields of opportunity for prospective business in Colombia lie in mining, stock raising and the exploitation of forests. In the order of their importance, the workable mines and mineral deposits are first, gold, silver, platinum, iron, copper and emeralds; second, crude oil; third, coal. According to the committee, the number of mines officially listed already exceeds 18,000. With regard to coal, it is reported that deposits are available in every part of the republic and that exploitation has been limited thus far to the needs of home consumption but could be developed on a much larger scale, sufficient for the entire needs of the neighboring countries. The petroleum deposits thus far surveyed are sufficiently important to indicate that Colombia may possibly prove a more productive field even than Mexico. Today petroleum is exploited only on a very small scale. Undertakings on the part of the Pearson Syndicate, of Great Britain, and American and Canadian syndicates are in definite shape, but all the interests concerned seem satisfied with the future possibilities in this field.

Stock raising is still a possibility only, in so far as concerns the foreign market, but vast stretches of natural pasturage in all kinds of climate are reported ample for the feeding of stock on a scale sufficient to maintain a constant supply of cattle on the hoof, as well as for the establishment of packing houses in regions along the coast. At present, only about 7,000,000 head of bovine cattle are reported, and the exports last year to Panama and the West Indies only amounted to 7,000 head.

The forests of Colombia include all kinds of wood for fine cabinet work, such as mahogany, cedar, walnut, etc., as well as enormous tracts of land covered with valuable hard woods like lignum-vitae, quebracho, diomate, etc., and also a rich collection of trees and shrubs for the production of tannic acid. The exploitation of these forests at present is embarrassed by the comparatively unexplored nature of much of the country in which they lie, and difficulties of communication and transportation.

In Colombia, as in several others of the Latin American republics, the exploitation of its dormant wealth awaits the development of adequate railroad communications and improving the channels of rivers and harbors. At the present time, only about 700 miles of railway is reported in operation, located on the Caribbean Sea, and extending into the mountains. These lines are, to a large extent, auxiliaries to the river systems. Most of the commerce of the country in the interior is thus carried by the rivers with railways as auxiliaries.

The greater part of the system of routes of transportation in Colombia has for its center the River Magdalena, which is for Colombia what the Mississippi is for the United States. This river is navigable by large vessels for 600 miles up from its mouth, and for smaller craft 300 miles further. Up this river foreign products and merchandise enter Colombia, and the greater part of the national products leave Colombia by the same river, as the centers of consumption and of production are located within a short distance on either side of the river. So that, taking the Magdalena River as the trunk line of the future systems, and channeling the sand banks at its mouth, in order that steamships may enter as far as the flourishing city of Barranquilla, it would be necessary to construct or finish or enlarge a number of lateral railroads.

There is in such projects work for some 2,300 miles of new construction and of enlargement of

the constructions already in existence. And apart from the Magdalena system, there remain to be constructed other promising routes through rich mineral and grazing lands.

The amount of American capital which it will be possible to employ, figuring on the average rate of \$50,000 per mile, will reach some \$200,000,000, and with the improvements of the sea and river ports and the dredging of rivers this figure may go up to \$250,000,000, a vast and highly productive investment for the genius and energy of this nation, and yet an amount less than that which has been invested by the English in Argentina.

And it should not be forgotten that the Colombian law authorizes the Government to subsidize railroad construction to the extent of \$10,000 per kilometer of roadbed constructed (\$16,000 per mile), and it grants up to 300 hectares of public lands per mile of railroad constructed, to be located on either side of the same.

At the present time the development of Colombia in foreign trade, outside its mining resources, has been devoted chiefly to coffee, which, in 1912, constituted about half of the total exports, and was valued at \$17,000,000. Bananas are also a new and flourishing industry. Something more than \$2,000,000 worth a year are being exported.

Results of Committee Conferences

In considering the facts developed in the three memoranda submitted by the Colombian delegation, the Conference Committee came to the conclusion that the prime necessity for improving financial and commercial relations between Colombia and the United States are the assistance of American capital and banking facilities. It developed that, in the past, Colombia has depended principally upon European credit for financing her foreign trade and developing her internal resources.

In spite of the curtailments of this credit since the outbreak of the war, the financial and economic situation of the country has remained fundamentally sound. Consequently, an opportunity is offered to equalize the unfavorable balance now existing in the trade with the United States. At the present time Colombia is sending over half of her products to the United States and taking only about one-fourth of her imports from the United States, the figures being \$18,800,000 and \$7,600,000 respectively. The Committee reported that, in order to effect this trade extension, the creation of mutual banking relationships through the establishment of branch American banks, together with the gradual development of a dollar exchange and a necessary market for discounting commercial paper, is highly desirable. The committee emphasized the importance of extending inter-American steamship transportation and securing more uniform laws relating to trade and commerce, as well as the establishment of an international commercial court for the arbitration of trade deposits.

In conclusion, the committee offered a number of specific recommendations which included the appointment of permanent special committees to deal with questions affecting Colombia, and each of the other American countries. The duty of such should be to study conditions and report to the Secretary of the Treasury and the Chamber of Commerce of the United States. The committee further recommended that consideration be given to the creation of a board of engineers, to be approved by the general executive council, or by the Chamber of Commerce of the United States, from which board several permanent committees may select experts for the investigation of projects offered for financing enterprises. The Conference Committee felt that special interest attached to Colombia owing to its situation with regard to the Panama Canal with harbors on the Caribbean Sea only 1,400 miles from New Orleans and 1,900 miles from New York. Like the other committees, however, it was particularly impressed with the fact that it was necessary to perpetuate the work of the Conference by means of permanent committees, to be organized, as soon as practicable, on a definite basis.

Bolivia

Area, 708,195 square miles; population, 2,267,925; Language, Spanish; Capital, La Paz; Population, 82,000,



CONFERENCE COMMITTEE.

Chairman.

HON. IGNACIO CALDERON.

Official Delegation.

HON. IGNACIO CALDERON.

HON. ADOLFO BALLIVIAN.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF BOLIVIA.

Representatives from the United States.

Hurley, Hon. Edward M., Federal Trade Commission.
Bippus, W. F., Treasurer National Cash Register Co., Dayton, Ohio.

Brand, Charles J., Department of Agriculture.

Elliott, Hon. Milton C., Counsel Federal Reserve Board, Washington.

Fuerth, Otto H., New York.

Goodhue, F. A., Vice President First National Bank, Boston.

Hastings, S. M., Illinois Manufacturers' Association, Chicago.

Holliday, John H., President Union Trust Co., Indianapolis.

O'Neil, J. F., President Fulton Foundry Co., St. Louis.

Richards, George H., Remington Typewriter Co., New York.

Rue, Levi L., President Philadelphia National Bank, Philadelphia.

Speyer, James, Speyer & Co., New York.

Storrow, James, Boston.

J. C. Luitweiler, Group Secretary.

Data Brought by the Delegation

BOLIVIA is perhaps the only country in South America that never has had paper money. Its delegation at the Conference, consisting of the distinguished Minister of Bolivia at Washington, Mr. Ignacio Calderon, and the Bolivian Consul General at New York, Mr. Adolph Ballivian, pre-

sented a memorandum on Bolivian finance and commercial resources which formed a comprehensive basis for the discussions of problems in the committee which had the interests of that country under consideration. While Bolivian currency is based on the gold standard the government has not yet minted a national gold coin, and the English pound sterling and the Peruvian gold money are the only legal tender. The bulk of the country's currency consequently consists of bank notes and silver and nickel coins. Financial operations are facilitated by four banks of issue and four mortgage banks, besides agencies of a German bank in La Paz and Ororo. The combined capital of the four banks of issue, paid up, amounts to over forty million bolivianos,—about \$16,000,000. All these banks pay dividends that average about 10 per cent annually.

Up to 1900, Bolivia was free from foreign debt and since then has contracted but three foreign loans of any importance. Part of these loans was for the purpose of establishing a bank, and part for railway extension. As Bolivia is an inland country without any seacoast, occupying the uplands and mountainous portions of the Andes, the construction of railways has been expensive and accompanied by engineering problems of great magnitude and difficulty. Thus far, the roads constructed have been carried through at an expense which is understood to be somewhere about \$15,000,000. Other rich and important areas are still to be developed by the roads projected. The country is one of the richest in the world in mineral resources, and it is generally believed that the further development of railways will lead to the further extension of mining industries. Silver was so plentiful that the Spaniards established in Bolivia the second mint in all America for coining money, the first being that of Mexico. Now tin has taken a very important place, and there are also rich deposits of copper, bismuth, cobalt, zinc and other minerals.

The most interesting feature for this country lies in the fact that Bolivia is a country still to be developed and that, up to now, its principal foreign connections have been England, Germany, France and Belgium. These facts, with others covering the general fields of possibility in this interesting republic, were discussed with the greatest frankness and detail in the Conference Committee, and led to a number of interesting conclusions.

Results of Committee Conference

It became evident at once that the exploitation of mines, and their development, requires capital which, at the present time, should offer profitable investment to American financiers and miners. Moreover, four minerals, hitherto imported to the United States from Europe principally, namely, antimony, tungsten, bismuth and tin, can

now be brought to the United States through the Panama Canal much more easily than heretofore. In the eastern part of Bolivia live stock has also begun to offer a profitable field of enterprise. Recent estimates in two states in the eastern part of the country, apparently in those high valleys which lead down to the head waters of the Amazon, place 80,000 wild, and 20,000 domestic cattle in the province of Santa Cruz, and 130,000 wild and 50,000 domestic cattle in the province of Beni. The area covered by the grazing fields is reported to be larger than the whole state of Texas. In the high plateau regions are found various kinds of sheep, alpaca and vicuna. But here again capital is needed to develop resources, and railroads must be built to cheapen transportation.

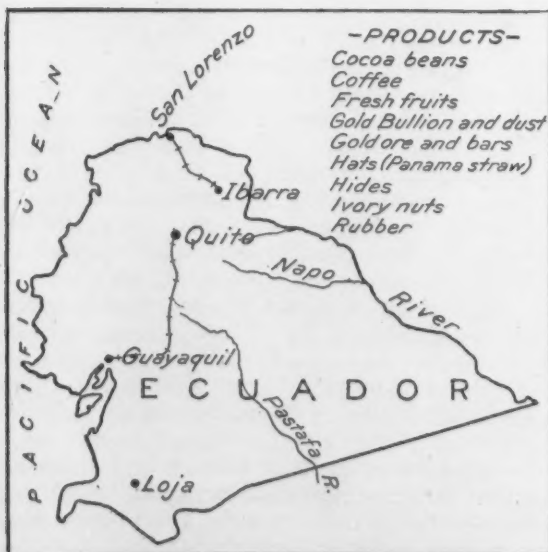
Rubber, timber and fruit are in abundance, the exports of rubber alone, in 1913, amounting to more than 5,000 tons. Politically speaking, the country is perfectly peaceful and the regularity of its administration is evidenced by its sound financial standing. Greater uniformity in its commercial laws and regulations and the simplifying of invoices and other consular requirements would do much to facilitate the exchange of commodities and should be accompanied by cheaper telegraphic communication whether by wireless or cable.

The banking situation, as in many other countries of Central and South America, has been one of much embarrassment, owing to the effects of the European War. The conference committee consequently strongly recommended the establishment of a bank, possessing the necessary charter powers to meet local trade conditions, whose capital should be furnished jointly by citizens of Bolivia and citizens of the United States. Such an institution would be a strong factor in developing trade between the two countries. The commercial department of the bank could collect and furnish proper credit information, and could, by guarantee of local credits, be instrumental in obtaining capital for local development. The necessity for such a bank is emphasized by the fact that a branch of one of the national banks of the United States would apparently not possess the necessary charter powers to enable it to conform to local conditions and requirements.

Another difficulty which has hitherto impeded the development of financial and trade relations with Bolivia has been a lack of information as to the true status of conditions in that country. Consequently the group committee recommended the organization of a central commercial agency to conduct its operations in connection with or under the supervision of the Chamber of Commerce of the United States. The purpose of this agency would be to disseminate information and serve as a connecting link between the industries of the Latin American countries and the United States.

Ecuador

Area, 116,000 square miles; Population, 1,500,000; Language, Spanish; Capital, Quito; Population, 60,000.



CONFERENCE COMMITTEE.

Chairman.

HON. JUAN CUEVA GARCIA.

Official Delegation.

HON. JUAN CUEVA GARCIA.

HON. VICENTE GONZALEZ.

HON. ENRIQUE GALLARDO.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF ECUADOR.

Representatives from the United States.

Parry, Hon. Will H., Federal Trade Commission.

Clausen, John, Crocker National Bank, San Francisco.

Conklin, Franklin, Newark, N. J.

Given, T. H., President Farmers' Deposit & National Bank.

Kent, Fred I., Vice President Bankers' Trust Co., New York.

McChord, Joseph A., Governor Federal Reserve Bank, Atlanta.

Mahana, George S., Corn Products Refining Co., New York.

Tedcastle, A. W., Boston.

Travieso, Hon. Martin, Treasurer of Porto Rico.

Wiggin, A. H., Chase National Bank, New York.

Charles F. Baker, Group Secretary.

Data Brought by the Delegation

THE delegation from Ecuador, a country whose capital city lies practically under the Equator, was headed by Mr. Juan Cueva Garcia, Minister of Ecuador to Great Britain, and now in the United States as the fiscal agent of his government. Like the other delegations, that of Ecuador submitted a memorandum dealing with the principal questions which could be considered to advantage at the Conference, with a view to improving relations between the United States and the countries of Latin America.

A wide range of subjects was covered, including banking and currency, the sale of South American securities, improved laws affecting trade and commerce, dealings in bills of exchange, commercial regulations, postal, telegraph, and telephone service, trade marks and patents, immigration, mines and concessions, and navigation. The desirability of passing adequate legislation for the establishment and operation of branches and agencies of American banks in

Latin America, and vice versa, was strongly urged, together with the adoption of the gold standard in all the countries of the Pan American Union. Increase of banking facilities would naturally lead, by easy stages, to the listing of American securities on Latin American stock exchanges, and of Latin American securities on the exchanges in the United States. Such facilities would accompany more rapid and familiar handling of bills of exchange, bills of lading and consular invoices. Greater uniformity in the laws affecting such bills and invoices was pointed out to be urgently necessary and could be very much further advanced by the adoption, in all American countries, of a more uniform classification of goods for tariff purposes.

For the exchange of articles of small bulk, the extension of the parcel post service, accompanied by features providing for cash on delivery and insurance, was strongly recommended, together with a uniform rate of postage for letters, postal facilities of this kind, to be accompanied by improved telegraph and telephone and wireless service.

In line with increased commercial intercourse through banks—the handling of commercial paper and improvements of commercial law which would include the protection of trade marks and patents—the extension of inter-American steamship communication was urged, which should, at the same time, take into consideration the advisability of establishing free ports or free zones for the manufacture, transshipment and distribution of products and merchandise such as now, apparently, exist at Hamburg and Copenhagen. In conclusion, the memorandum urged the Pan American Union to compile and publish in English, Spanish and Portuguese, the laws of commercial interest in all the various American republics and to prepare for future conferences, with a view to achieving permanent and continued results.

The Conference Committee as a whole expanded the subjects treated in the memorandum presented by the Ecuadorian delegates. The pub-

lic finances of Ecuador are controlled to a very great extent by the fiscal revenues, amounting to some \$10,000,000 in American gold and drawn mostly from customs duties. The war, by decreasing the purchasing power of the people of the country, has reduced the fiscal revenues to an aggregate estimated at \$8,000,000. The only measures adopted to meet conditions produced by the war, were the borrowing of money by the government from the local banks, and the temporary suspension of gold exports and of the conversion of notes. It has necessarily produced a draft upon the legal gold reserves of the banks which are estimated now to be about one-half of the legal requirements.

This circumstance emphasizes the fact that international cooperation can be effected most advantageously by lending the government the money which it needs (three to five million dollars), on reasonable conditions, and for a period which would permit it to pay local banks its indebtedness to them and at the same time repay the loan to the principals at its convenience. The debt of the government to the local banks aggregates about \$4,000,000, and the total indebtedness, including foreign loans, amount to about \$18,000,000 or \$20,000,000. The country was and still is on a gold basis, and except for the curtailing of credits and other disturbances of the money market caused by the war, is on a sound basis which can be maintained, providing the continued sale of its export products can be satisfactorily continued. The chief export is cacao.

The principal measure necessary to secure for the United States the advantages of being the contributing and clearing center of Ecuadorian trade, is for American banks to establish the means of financing shipments as liberally as those hitherto provided by London. This can be done by extending banking credit to exporters and banks just as much for shipments intended for the United States as for those directed to other countries. While this may be a complicated operation at the present moment, it can be done more advantageously by banks in this country

than by Ecuadorian banks and exporters themselves.

Railroads and General Conditions

There are only three railway companies operating lines in Ecuador, aggregating some 360 miles of track, and the opportunities for investment seem less favorable in this field than in street car lines, electric light and power plants, and in sewerage and other municipal operations. But, in all matters affecting trade, the Committee emphasized the need which exists in Ecuador, as in other Latin American countries, for the extension of reasonable credit. In Ecuador this extends to the crops which are financed within the country. Foreign banks became of assistance in this field by permitting exporters to draw in advance of shipments, for the purpose of advancing money to the farmers. There is no reason why this should not be done just as well by the banks of the United States, especially with clients whose position is known to be sound. Ecuador has a long time trade with the United States and practically all of its products are adapted to the markets of this country. The prospect of a return trade is favorable and only requires an exertion of adaptability and intelligence on the part of American exporters. The effect of the Panama Canal in extending beneficial trade relations will no doubt prove very important, and should be accompanied by the establishment of steamship lines which will allow for frequent and regular shipments direct, without transshipment, between ports of Ecuador and ports of the United States.

These principal features of trade should be accompanied by improved postal facilities, more convenient laws affecting travelling salesmen, and the introduction of samples. A careful study of conditions leads inevitably to the conclusion that an honest mutual effort on both sides must be successful and result in conditions for which it was the purpose of the Conference to pave the way.

Peru

Area, 680,000 square miles; Population, 4,500,000; Language, Spanish; Capital, Lima; Population, 150,000.



CONFERENCE COMMITTEE.

Chairman.

HON. ISAAC ALZAMORA.

Official Delegation.

HON. ISAAC ALZAMORA.

HON. EDUARDO HIGGINSON.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF PERU.

Representatives from the United States.

Harding, Hon. W. P. G., Federal Reserve Board, Washington.
Allen, F. W., Boston.

Arnold, J. J., Chicago.
Babson, Roger W., Boston.
Douglas, Wm. H., New York.
Duval, G. L., New York.
Fairchild, Samuel J., Fairchild Bros. & Foster, New York.
Grace, Joseph P., New York.
Kretz, George H., National Park Bank, New York.
Meeker, Arthur, Armour Grain Co., Chicago.
Mitchell, C. D., President Chattanooga Plow Co., Chattanooga.
Reynolds, Geo. M., Commercial & Continental National Bank, Chicago.
Dr. Henry Erwin Bard, Group Secretary.

Data Brought by the Delegation

THE Peruvian delegation consisted of a former Vice-President of the country, one time minister of foreign affairs and now a member of the Peruvian Congress, Mr. Alzamora (who was chairman of the committee), and the Peruvian Consul General at New York, Mr. Higginson.

The memorandum submitted by this delegation described, very fully, the general measures undertaken by the Peruvian Government to counteract the disturbed conditions resulting from the war and also gave a general review of the commerce and finances of the country. In order to avoid a panic and prevent runs on the banks on the outbreak of the war, the Peruvian Government declared a moratorium for a year. In order to counteract conditions produced by the disappearance of gold coin, the Peruvian and foreign banks in Lima were authorized to issue checks to bearer aggregating \$12,500,000, and at the same time the government prohibited the exportation of gold as well as that of coined silver. As a supplementary measure to tide over the crisis, the Congress passed a law reducing the expenses of the republic 30 per cent, and increasing the tax on alcohol and tobacco by 20 per cent. These measures are slowly producing tangible results of a favorable nature.

The greatest source of revenue in Peru is that derived from customs duties. Since 1896 the aggregate revenue of the country has increased a little over 300 per cent. Since the outbreak of the war in Europe, however, all the principal re-

sources of revenue, including customs duties, the tobacco monopoly, the salt monopoly, and tax on spirits, have all shown a decrease of from 20 to 40 per cent, which has been a source of embarrassment to the government. Although the issue of bearer checks, referred to above, has for the present and for practical purposes eliminated gold coin from general circulation, the monetary system is still on a gold basis, the unit being the Peruvian gold pound, the equivalent in value to the British pound sterling. As the bearer checks are guaranteed 20 per cent in gold, 30 per cent in mortgage bonds, warrants, etc., and 50 per cent commercial paper and valuable securities, approved by a special committee, the situation has not resulted in any real inflation of the currency. The national debt of the country is stated to be \$6.50 per capita of the population.

There is no special authorization required for the establishment of a bank. Foreign companies which desire to operate or establish branches in Peru, must inscribe their statutes and other documents in the merchantile register in the same way as required by Peruvian companies, and must also deposit their certificate of incorporation, legalized by a Peruvian consul, which will prove that they are duly constituted and authorized by the laws of their respective countries. All banks must have in their vaults at least one-fourth, in sterling, of the amount of their indebtedness to the republic. Like all industrial concerns, the banks are further required to make payments to the government, for the privilege of operating, calculated at the rate of 5 per cent on net earnings. No bank is authorized to issue paper money at the present time.

The principal incentive for increased commercial relations with the United States is capital for permanent investment. A brilliant future is predicted for agricultural, land and real estate banks, the want of which is acutely felt. Vast tracts of fertile land, still unexplored, could be developed and the land owners and farmers assisted in handling and increasing their crops. However, the early establishment of an American bank is urgently required, and would also

lead to a further desirable feature, namely, the establishment of branches of American commission houses and manufacturers' agencies in Peru.

The opening of an American bank would not only secure and facilitate the management of American capital which might be invested but could contribute to enterprises of a more ambitious nature which await development. Such is the proposed construction of railways from the coast to the interior region around the head waters of the Amazon which would open up vast and unexplored territory of great natural wealth. Three of such roads are under survey but the undertaking still awaits the necessary capital. The extension of American interests and close relations with Peru, could also be facilitated by a direct fast passenger service from New York to

Callao, so arranged as to avoid quarantine difficulties, which at present cause so much unnecessary delay by the Panama route

Results of Committee Conferences

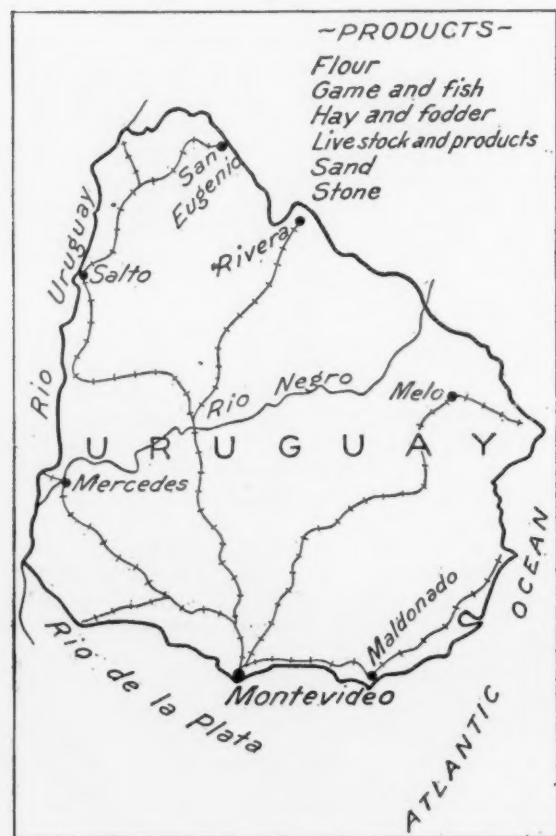
The Conference Committee indorsed the general suggestions set forth in the memorandum of the Peruvian Delegation. The establishment of branches of American banks was urgently recommended, as well as measures to favor and facilitate the placement of South American loans in the financial markets of the United States. The committee also recommended the adoption of the method commonly employed by the financial institutions of England and Germany in the trade with Peru, whereby resources are placed at the disposal of foreign commerce. This, in the main, is accomplished by discounting long term

bills drawn by manufacturers on export merchants.

To supplement these measures for developing finance and trade, the committee urged more uniform laws affecting trade and commerce; more effective protection of trade marks; the establishment of bonded warehouses, and strongly indorsed the principle of international arbitration of commercial disputes. The committee concluded with a final recommendation that the Pure Food and Drug laws of the United States should be extended to exports from this country to Peru and other Latin American countries, and expressed confidence that the reports of the various group conference committees would lead to tangible and permanent results in the interest of each country.

Uruguay

Area, 72,210 square miles; Population, 1,300,000; Language, Spanish; Capital, Montevideo; Population, 400,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PEDRO COSIO.

Official Delegation.

HON. PEDRO COSIO.

HON. GABRIEL TERRA.

HON. CARLOS MARIA DE PENA.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF URUGUAY.

Representatives from the United States.

Rublee, Hon. George, Federal Trade Commission, Washington.

Bixby, William K., American Car and Foundry Co., St. Louis.

Butterworth, William, President Deere & Co., Moline, Ill.

Eldridge, H. R., Vice President National City Bank, New York.

Grenstad, Hon. N. A., U. S. Consular Service.

Keith, Charles A., Keith & Perry, Kansas City.

Le Gendre, William C., New York.

O'Brien, Edw. C., New York.

Rovensky, J. F., National Bank of Commerce, New York.

Shirley, James J., New York.

Townley, Calvert, Westinghouse Electric & Mfg. Co., East Pittsburgh.

Wheeler, Harry A., Vice President Union Trust Co., Chicago.

H. Ralph Ringe, Group Secretary.

Data Brought by the Delegation

ALTHOUGH Uruguay is the smallest republic in South America, and the last one to be settled, it has already become one of importance and wealth, its foreign trade aggregating about \$100,000,000 a year. Much of this rapid development of wealth may be attributed to the fact that already in this small country there are some 1,600 miles of railway, and particularly because very few countries of the world have such natural advantages for inland transportation by water as has Uruguay. Almost every plantation owner in the country is in direct communication with the capital and principal seaport, Montevideo, by means of a network of natural waterways. In other words the difficulties and expenses of transportation, which have

proved such a drawback to the commercial and industrial development of many other Latin American republics, have already been solved in Uruguay. It is natural that a country which has made such rapid and substantial advances should have been thoroughly prepared to cope with the situation produced by the war.

The Uruguayan delegation to the Conference, consisting of the Minister of Finance, a member of its Congress, and the Uruguayan Minister at Washington, had made extended preparations for laying the conditions and problems of Uruguay before the delegates.

Data Brought by the Delegation

Although destined to be one of the greatest grain producing countries of South America, Uruguay is as yet one great cattle range, and the exports from this industry represent about nine-tenths of all its foreign shipments. The first effects of the war, consequently, required measures to stabilize credits both at home and in the relations of its merchants with other countries. This was accomplished primarily by putting into effect measures which practically resulted in a moratorium. The Bank of the Republic has been authorized to defer converting its bills into gold to a period of three months after the termination of the European war, while private banks have been empowered to make use of their gold reserves by depositing them with the Bank of the Republic, and receiving in exchange the bills of this government bank.

The export of gold was also prohibited and other measures passed for deferment of payments of various kinds. The total gold deposits of the Bank of the Republic, at the beginning of March, resulting from the measures described, amounted to over \$16,000,000, against which there was outstanding an issue of bills amounting to \$23,000,000. As the government relies for its principal revenue on customs duties, the foreign trade of this country is very important, and has a very interesting bearing in regard to the United States. Up to the beginning of the war the United States stood third in Uruguay's foreign trade, Great Britain being first and Germany second. The balance of trade thus far has been strongly in favor of Uruguay, owing to the fact that our consumption of her wool, hides, meats and other articles, exceeds the consumption in Uruguay of American manufactures, iron and lumber.

Results of Committee Conferences

The Conference Committee, in its final report, confined itself to specific recommendations based on a series of questions propounded by the delegates of Uruguay, and upon a memorandum which they had also prepared. The committee came to the conclusion that it is absolutely essential to the development of commercial relations between the American republics for adequate ocean transportation facilities to be promoted, whether by removing legal restrictions, granting direct or indirect subsidies, or both. The necessity of uniform weights and measures was also urged, together with a recommendation that until something definite could be done, merchants should adopt a practice of making out bills of lading on a basis of the metric system. Increased cable communication, and the development of wireless systems, and the adoption of an international money unit by all the American republics, were also recommended.

The question of commercial credits was given particular attention, being in the opinion of the committee a matter of prime importance for the proper development of all trade relations in the Americas. If American banks can arrange to discount freely, at favorable rates, drafts drawn at terms up to six months sight, based on reliable credit information which Latin American banks must undertake to provide, very much would already have been accomplished. The committee also urged upon Central and South American banks to open credits in favor of clients who are not able to furnish balance sheets of profit and loss, or other statements of credit standing, which could be accepted by North American correspondents. The committee concluded with recommendations for all North American countries to enter the South American postal union, the improvement of customs regulations and reciprocal tariff arrangements, the exchange of students in the higher business schools between the American countries, and the establishment of merchantile museums in such schools. The committee added a final interesting proposal to the effect that all the American republics should give consideration to lowering import duties on the primary materials and articles necessary for life and raising the duties on superfluous articles, and articles of luxury.

In reviewing the trade of Uruguay with the United States, the following passages from the memorandum of the delegation regarding two of its principal products afford an excellent illustration of the present situation:

"Upon closely examining the importation tables one can see from the start that Uruguay sold to the United States during the fiscal year of 1914 products to a greater value than during the three preceding years, 1911, 1912, and 1913, in the aggregate.

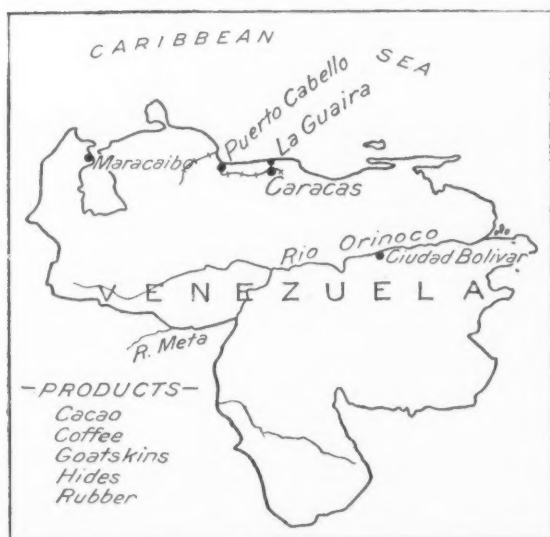
Meat products.—It is noticeable likewise that the designation of meat products appears for the first time in large amounts. During the first four years of the last period of five years the annual sales to the United States of these products of Uruguay did not reach more than \$200,000. In 1914 this item amounted to \$2,533,262. These figures refer merely to the direct exportations from Montevideo to New York from October, 1913, until June, 1914. During the same period there were exported to Europe meat products of Uruguay valued at \$741,000, thus giving a total of \$3,274,262, represented by 16,388,210 kilograms. As is well known, this extraordinary increase of our sales of meat products to the American Union owes its origin to the last amendment of the United States tariff, which placed these products in the list of articles that entered the country free from duty.

On account of the European war the entries of Uruguayan meat products went down considerably during the second half year. The exportations from our country are diverted to European markets, whose military administrations pay 2, 3, and 4 cents more per pound. However, the United States received Uruguayan meats for the value of \$1,144,546 during the last six months of the year, and, moreover, they sold to the Governments of the belligerent countries several cargoes of Uruguayan meat, the same having arrived in the ports of the United States.

Hides.—During the fiscal year of 1914, 6,499,340 kilograms of cattle hides from Uruguay

Venezuela

Area, 393,976 square miles; Population, 3,000,000; Language, Spanish; Capital, Caracas; Population, 73,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PEDRO RAFAEL RINCONES.

Official Delegation.

HON. PEDRO RAFAEL RINCONES.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF VENEZUELA.

Representatives from the United States.

Harris, Hon. William J., Federal Trade Commission, Washington.
Cornell, Charles L., Treasurer Niles-Bement-Pond Co., New York.
Edson, John Joy, Washington Loan & Trust Co., Washington.
Lyerly, Charles A., President First National Bank, Chattanooga.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington.
Price, Theodore H., New York.
Sachs, Samuel, Goldman, Sachs & Co., New York.
Warren, Charles B., President Board of Commerce, Detroit.
Williams, R. Lancaster, Middendorf, Williams & Co., Baltimore.

Yanes, Francisco J., Assistant Director Pan-American Union, Washington.

Dr. Alberto Nin-Frias, Group Secretary.

Data Brought by the Delegation

FOR a number of years Venezuela was the only South American country which had direct steamship connection with the United States, by a regular line of steamers flying the American flag. Consequently it might be expected that its trade with the United States should constitute the largest item of its exports and imports. At the same time many opportunities are still open for improving the general condition. In the first order of importance, means of regular communication with the United States by steamers of ample tonnage, need to be established. It is reported that the American line of steamers, which, for some 20 years, has maintained a regular service to Venezuela, under a mail contract with the Post Office Department, concluded, under the terms of Ocean Mail Act of 1891, are slower, smaller and inferior in accommodation to the steamers of the French and the Royal Steam Packet Company which maintain connections with Europe. The committee also pointed out that while the parcel post service already existed between Venezuela and the United States, there was no money order service, and that the lack of such service should be remedied.

Results of Committee Conferences

In extending inter-American markets, the conference committee of Venezuela, like practically all the other conference committees, called attention to the necessity for establishing satisfactory credit relations between the two countries. Venezuela, being primarily an agricultural country, the question of credits is an important one. Arrangements for disseminating reliable information, to serve ultimately as the basis for establishing and developing commercial credit relations, are very much desired, and means to

that end should be undertaken by banks in both countries. It is only necessary that American exporters should meet the credit conditions prevailing in the country, and especially see to it that goods are packed in such a manner as to meet not only the requirements of the customs regulations, but the desires and uses of Venezuelan customers. In view of the fact that amicable relations can always be furthered by the proper dissemination of reliable news through the newspapers, the committee urged that newspapers and periodicals in this country, as well as in Venezuela, should interest themselves in well-authenticated news reports.

Although some mining industries are established, including asphalt, agriculture is nevertheless the principal industry of the country. At the present time coffee and cacao are the principal exports. Next in importance is cattle raising and the shipment of live cattle and hides. In a country with such extended territory, as Venezuela, the total railroad mileage is nevertheless only about 500 miles. For a full development of its natural resources an extension of railways is necessary, and as capital for this purpose must be procured from outside, a further opportunity is afforded to American financial interests. A similar field is open in establishing electric light and power plants which, at the present time, are only partially developed.

The monetary system of Venezuela is established on a sound gold basis and no paper money is legal tender in the country. The national debt of the country, both internal and external, aggregates about \$34,000,000, which amounts approximately to about \$10 per capita of population. All interest on the debt of the country has been promptly paid during the trying time of the European war, and the committee, in concluding its report, reiterated its conviction that the improvement of steamship service will lead naturally to an increase in trade relations such as is justified by the favorable condition of the country.

Paraguay

Area, 196,000 square miles; Population, 800,000; Language, Spanish; Capital, Asuncion; Population, 90,000.



CONFERENCE COMMITTEE.

Chairman.

HON. HECTOR VELASQUEZ.

Official Delegation.

HON. HECTOR VELASQUEZ.

HON. WILLIAM WALLACE WHITE.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF PARAGUAY.

Representatives from the United States.

Wells, Rolla, Governor Federal Reserve Bank, St. Louis.
Boyd, L. C., Indianapolis.
de Navarro, Alfonso, Vice President Atlas Portland Cement Co., New York.
Erskine, A. R., South Bend.
Fahey, John H., Boston.
Hepburn, A. B., Chase National Bank, New York.
Maddox, Robert F., American National Bank, Atlanta.
Martin, Wm. McC., Chairman Federal Reserve Bank, St. Louis.
Olcott, Hon. J. Van Vechten, President Pan-American States Association, New York.
Patchin, Robert H., New York.
Harold Clarkson, Group Secretary.

Data Brought by the Delegation

THE Republic of Paraguay is the only one of the Latin American republics, except Bolivia, which has no sea coast. For its communication with the outside world, it relies principally upon the great waterways afforded by the rivers Paraguay and Parana, which ultimately unite to form the La Plata, which flows between the shores of Argentina and Uruguay into the South Atlantic.

The situation in Paraguay is indicated to some extent by the relation of its total population of 800,000 to its area of 196,000 square miles, that is, an average of about 4 inhabitants for each square mile of territory. As a matter of fact, half of the country is covered by forests. At the same time, a mild and healthful climate and a fertile soil offer facilities for the cultivation of oranges, cotton, sugar cane, Indian corn, wheat, coffee, cocoa and a number of other products of sub-tropical and tropical countries. The very names of the fine timber available in the virgin forests are unfamiliar to the average person, for instance the Ibyrapyta, which affords wood suitable for paving blocks; Guayaybi, which resembles American hickory and is said to be superior to it; the Curupay, said to be of almost indefinite durability, weather-proof, its bark being utilized also with excellent results for the tannin it contains.

The country also is claimed to offer opportunities for cattle raising which are worthy of very much greater development, and already one American firm has applied for a concession to establish a refrigerating plant for chilled beef. The country is also not without mineral resources but, as yet, they are undeveloped. Railway transportation is little developed but the numerous tributaries of the two great rivers of the republic do not render this such a serious handicap as it might otherwise be.

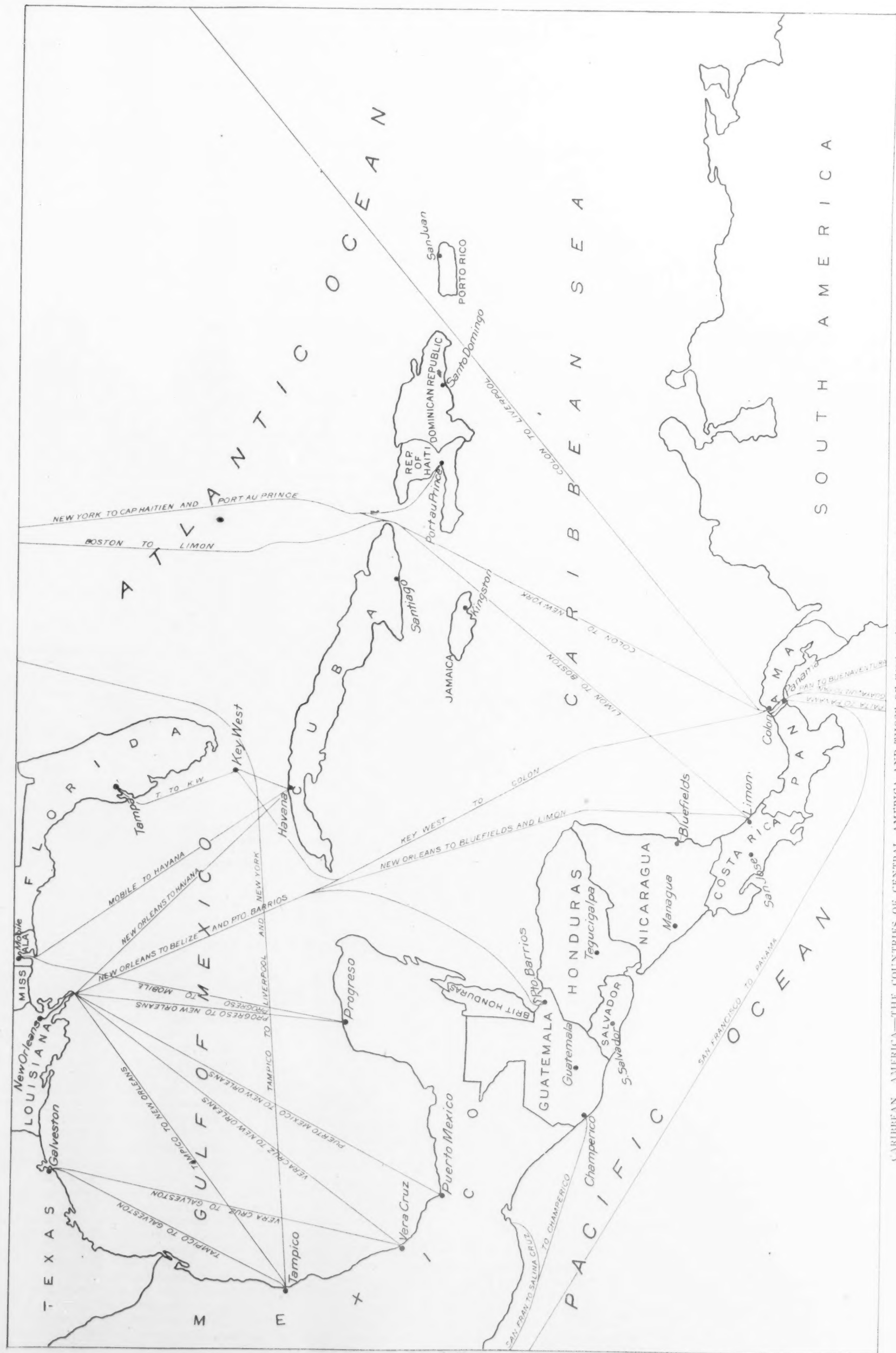
Status of Paraguayan Banks

There are four principal banks in the country

with an authorized capital aggregating an approximate total of \$50,000,000. All of these banks have their headquarters at the capital, Asuncion, with branches in the interior cities. They conduct a general business in discounting bills and notes, current accounts, savings accounts, time deposits, foreign drafts, etc. Banking operations in the country, however, are confronted with the constant preoccupation of fixing and maintaining the ratio of exchange for paper money. At the rate of 1,500 per cent, which is claimed to be moderate, the amount of paper in circulation is equivalent to \$8.33 gold per capita of the population. The government is constantly endeavoring to give the nation a sound currency, but has been much handicapped by the war. In spite of this fact, the foreign debt which at present amounts to about \$3,250,000 gold, is not large and the interest on it has always been paid scrupulously on time. The principal sources of revenue are import and export duty, a land tax, a postal tax, and internal revenue taxes. The foreign trade of the country aggregates between ten and fifteen millions of dollars, of which sixty per cent or more consists of imports from foreign countries.

Results of Committee Conferences

The conference committee in considering the conditions of Paraguay as set forth in the memorandum of the Paraguayan delegate, Mr. Velasquez, the Minister of Paraguay at Washington, reached the conclusion that the steady development of Paraguay's latent resources requires foreign capital which, at least while the European war continues, is not obtainable in the European money market. It is, consequently, apparent that judicious investment of American capital would be a powerful aid to the export of United States products by expanding the wealth and purchasing power of Paraguay. The paper money of the country has largely depreciated in value, owing to various causes, among them the limited supply of gold.

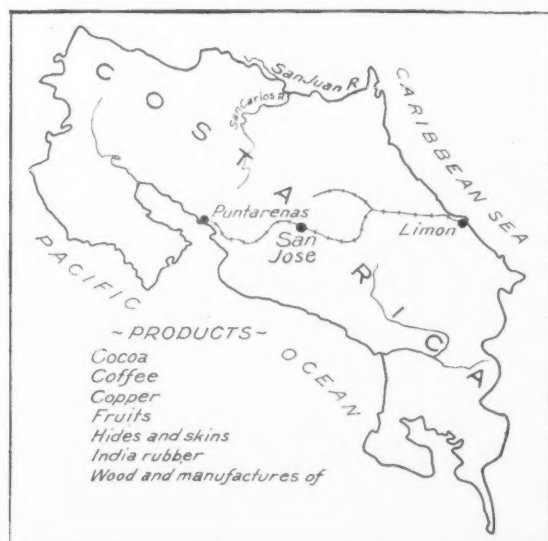


CARIBBEAN AMERICA—THE COUNTRIES OF CENTRAL AMERICA AND THOSE OF THE WEST INDIAN ISLANDS WHICH WERE REPRESENTED AT THE CONFERENCE.

(The main lines of water transportation from these countries to American ports are shown in this map, no indication being made of the lines of communication with Europe. Railroads are shown on maps of separate countries, treated in the pages immediately following.)

Costa Rica

Area, 23,000 square miles; Population, 411,000; Language, Spanish; Capital, San Jose; Population, 55,200.



CONFERENCE COMMITTEE.

Chairman.

HON. MARIANO GUARDIA.

Official Delegation.

HON. MARIANO GUARDIA.

HON. JOHN M. KEITH.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF COSTA RICA.

Representatives from the United States.

Newton, Hon. Byron R., Assistant Secretary, Treasury Department, Washington.
Aerts, G. A., Export Manager Rudolph Wurlitzer Co., Cincinnati.
de Lima, E. A., 58 West Eighth Street, New York.
Hardy, Caldwell, Norfolk.
Harper, R. N., President District National Bank, Washington.
Kelly, N. B., General Secretary Chamber of Commerce, Philadelphia.
Kiler, Charles A., Champaign, Ill.
Pierson, Lewis E., President Austin Nichols Co., New York.
Rich, John H., Minneapolis.
Theo. C. Lurman, Group Secretary.

Data Brought by the Delegation

THE conference report of the Committee on Costa Rica was presented by the Chairman, Mr. Mariano Guardia, Minister of Finance of the republic. In treating of general conditions the report followed closely the subjects suggested by the Secretary of the Treasury in his preliminary announcement regarding the work of the conference as a whole. Although there are known to be considerable

mining deposits in Costa Rica, there is but little mining at present in the country, except for gold, the export of which, with some silver, amounts to about \$900,000 a year. The balance of the \$10,000,000 worth of products exported annually consists largely of bananas and coffee, most of which goes to the United States.

The total debt of the country at present aggregates about \$17,000,000, distributed as follows: \$8,000,000 English credit; \$7,000,000 French credit; \$2,000,000 scattered. The monetary situation is normally satisfactory and established on a gold basis, the only difficulty that has arisen being due to temporary disturbances arising from the European war. As a consequence, the Costa Rican government was forced to suspend the law of paper conversion which stipulated that the bank note issues of the country must be redeemed in gold. It was impossible to maintain the operation of this law, for the reason the country would have been depleted of gold, and the stability of banks would have been jeopardized.

As a temporary measure to cover the deficit of revenues and assist merchants and farmers over the crisis, the government established the International Bank, with a restricted issue of bank notes to the amount of 4,000,000 colones (1 colon being equal to about 64.5 cents American gold). This issue was secured by 6 per cent interior bonds with certain exterior refunding bonds aggregating approximately \$2,600,000 American gold. The operation of this bank was designed to assist the principal banks of the country, which in ordinary conditions furnish adequate facilities for banking and mercantile operations.

The most urgent need of merchants in Costa Rica is that of adequate credit facilities. The transactions of European markets have been on longer terms and at more favorable rates of interest than those usually obtained in the United States. It is hoped, however, that, by means of the facilities now accorded United States national banks under the Federal Reserve Act, to give acceptance to long-term drafts arising from exports and imports, a means is at hand for providing the merchants of Costa Rica with facilities which will be comparable to those they have enjoyed with European countries. It is only necessary for United States banks to form close connections with the banks of Costa Rica, and cooperate in opening commercial credits to local merchants. The Chamber of Commerce of Costa

Rica, it is reported, is prepared to furnish credit ratings of merchants in that country and stands ready to cooperate with the Chamber of Commerce of the United States and mercantile agencies here, to the end that this information may be published in such a manner as to be available to American merchants and manufacturers. The committee therefore urged the compilation of similar information covering all other South and Central American countries which would immeasurably expedite trade transactions with the United States.

The extension of credit terms to which Costa Rican merchants have become accustomed is essential for the development of inter-American markets. European correspondents have not hesitated to give credits, ranging from six months to a year. Direct exchange with the United States already exists, and shipments between the two countries are not financed through Europe. Consequently, it is possible for the bankers in both countries to cooperate, to the fullest extent, in granting commercial credits based on American acceptances which could be discounted through the Federal Reserve Banks.

Results of Committee Conferences

In some respects Costa Rica is in a better position than some of its sister republics. The conference committee reported that there are ample shipping facilities for ocean transportation, and excellent passenger service. Regular money-order and parcel post services are already in existence. The government has also passed legislation for the establishment of bonded warehouses and public stores for the issuing of government warrants against the commodities warehoused. The plan is similar to the one which already prevails in Argentina. Furthermore, the customs regulations of Costa Rica give the greatest facility to importers in case of delay in receiving shipping documents. Foreign patents and trade marks are also well protected.

The committee heartily endorsed the establishment of some sort of machinery for the arbitration of commercial disputes, and suggested a joint committee of chambers of commerce, representing the countries concerned in any given controversy. The chief need of the country thus appears to be the extension of foreign banking facilities and commercial credits, and the committee registered its opinion that the conference, as a whole, was very timely for an exchange of views between all the countries concerned, which should result in practical and lasting benefits.

Honduras

Area, 46,250 square miles; Population, 600,000; Language, Spanish; Capital, Tegucigalpa; Population 40,000.



CONFERENCE COMMITTEE.

Chairman.

HON. LEOPOLDO CORDOVA.

Official Delegation.

HON. LEOPOLDO CORDOVA.

HON. D. FORTIN.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF HONDURAS.

Representatives from the United States.

Strong, Benjamin, Jr., Governor Federal Reserve Bank, New York.
Defrees, Joseph H., Association of Commerce, Chicago.
Fisher, Edmund D., City Deputy Comptroller, New York.
Gallmer, W. T., President American National Bank, Washington.

Goldstein, L. S., New Orleans.
Harris, A. M., Harris, Forbes & Co., New York.
Imhoff, C. H., Vice President Irving National Bank, New York.
Jones, De Witt Clinton, American Dyewood Co., New York.
McCrosky, James Warren, J. G. White & Co., New York.
Toby, Geo. P., A. B. Leach & Co., New York.
Esteban S. Garcia, Group Secretary.

Data Brought by the Delegation

THE delegates from Honduras prepared a report as to the conditions and needs of the country following the outline of subjects suggested by the Secretary of the Treasury to be considered by the different group committees. The Conference Committee for Honduras as a whole in its final report used large portions of the report of the Honduras delegates. The subjects considered included public financing, the monetary situation, the present banking situation, the financing of public improvements and private enterprises, the extension of inter-American markets, and transportation.

The principal banks in Honduras are the Bank of Honduras, the Banco de Comercio, and the Banco Atlantida whose operations are confined to mortgages and short time loans at rates of interest from 10 to 12 per cent per annum and to a small extent to the sale and purchase of ex-

change on foreign countries. While commercial intercourse between Honduras and the United States could be benefited by the investment of American capital in local banking institutions and by the establishment of branches by United States banks as now authorized under the Federal Reserve Act, the committee did not think this step immediately necessary. It rather inclined to the opinion that, if the banks now located in Honduras will make the effort, they will be able to establish satisfactory credits with banks in the United States, quite adequate for the business between the two countries.

On the other hand, the establishment of the gold standard in Honduras would be a very desirable reform. It is probable, however, that there would be some difficulty in carrying this out until the country's foreign debt, now in default, had been adjusted. At present, the monetary standard is the silver peso valued at about 36 cents American gold. It is supplemented by the notes of private bankers. The foreign debt has proved a considerable weight upon the credit of the republic. It consists principally in bonds issued for the construction of the railway from Puerto Cortez to La Pimienta and the arrears of interest unpaid on these bonds, most of which appear to be held in British hands. The internal debt, which represents an accumulation from old

loans made to the government for deferred payments and from losses caused by revolutions is being steadily reduced. For this purpose the surplus revenues of the republic for two successive years have been expended, with the result that nearly 20 per cent of the total has now been paid off.

Consequently at the beginning of the European war the internal public finances of Honduras were in a favorable condition due to a more systematic collection and management of various sources of revenue, chiefly derived from import and export duties and a monopoly on rum made from sugar cane. The actual receipts were larger than those estimated and very much exceeded the expenses of the government. Some of the surplus was therefore available for the improvement of the cart road leading from the capital to the Pacific coast and the port of Amapala and to the improvement of the road bed and rolling stock of the railroad from Puerto Cortez to La Pimienta on the Atlantic side. The country is still suffering, however, from the prolonged drought of the last two years which resulted in short crops in all the important districts in the center and south of the republic. This has perhaps caused difficulty even greater than the European war and the government, in order to forestall a deficiency and avoid raising additional taxes, has been reduced to rigorous economies in expenditure. While additional capital is therefore urgently needed in many fields of gov-

ernment enterprise, arrangements for additional taxation and the adjustment of the existing foreign debt would have to be made before satisfactory action could be taken by American bankers.

The position with regard to private financial enterprises is somewhat different, and there is apparently an excellent field for various public utilities owing to the fact that, at the present time, there is not a gas company nor a street railway in the republic, and electric lighting undertakings exist only in three of the cities, namely, Tegucigalpa, San Pedro Sula and Ceiba.

For the better conducting of any increased commercial relations with the United States and other Latin American countries, attention must be given in Honduras to the questions of laws and regulations governing trade marks, bank credits, commercial contracts, negotiable instruments and the handling of goods through custom houses. The government of Honduras has intimated that it will gladly cooperate with other countries in adopting uniform laws and procedures in these matters.

Results of Committee Conferences

Owing to the conditions described above, the committee reported that Honduras perhaps as much as any other Latin American country requires long-term credits as a means of stimulating inter-American trade and a good deal of at-

tention and study on the part of American manufacturers in order to adapt their manufactured products to the market in Honduras. Included in such an extending of trade, proper packing of merchandise is essential, not only in order to meet customs requirements but also to insure safe delivery as, except for the single railway, transportation throughout the country is rough and frequently difficult.

The improvement of ocean transportation facilities is of immediate importance. The only line of steamships at present serving the Pacific coast of Honduras is the Pacific Mail Steamship Company whose steamers are neither fast nor large and whose calls at Amapala are not very frequent. The government of Honduras is prepared to give liberal subventions to a company that would undertake to send its steamers to Amapala on the Pacific coast at least every ten days, such a service to extend as far south as Balboa and as far north as San Francisco. With the improvement of ocean transportation and the increase of commercial relations with other countries the Honduras Conference Committee strongly urged the necessity of a Pan American Board of Arbitration for the settlement of trade disputes. It was urged that nothing would do more to stabilize credits and further the investment of foreign capital and stimulate cooperation than an effective Board of Arbitration of this kind.

Guatemala

Area, 48,290 square miles; Population, 2,119,165; Language, Spanish; Capital, Guatemala City; Population, 125,000.



CONFERENCE COMMITTEE.

Chairman.

HON. VICTOR SANCHEZ OCANA.

Official Delegation.

HON. VICTOR SANCHEZ OCANA.

HON. CARLOS HERRERA.

HON. JUAN LARA.

Special Guest of the Secretary of the Treasury.
THE MINISTER OF GUATEMALA.

Representatives from the United States.

Malburn, Hon. Wm. P., Assistant Secretary, Treasury Department.

Francis, Hon. David R.

Jay, Pierre, Chairman Federal Reserve Bank, New York.

Minotto, James, Guarantee Trust Co., New York.

Owen, T. Hart, President Farmers' Deposit & National Bank, Pittsburgh.

Perry, Marsden J., Providence.

Ruperti, J., G. Amsinck & Co., New York.

Shapleigh, A. L., President Commercial Club, St. Louis.

Swiggett, Dr. Glen L., Pan-American Union, Washington.

Warden, Charles W., President Continental Trust Co., Washington.

H. W. Branch, Group Secretary.

Data Brought by the Delegation

GUATEMALA, the northernmost of the Central American republics, extends from the Atlantic to the Pacific side of Central America. The bulk of the population, however, is located in that half of the republic that lies towards the Pacific. Nevertheless, it is on this coast that steamship communication with the rest of the world is less frequent.

While lying in the torrid zone, most of the country is from 4,000 to 11,000 feet above the sea and, consequently, the climate is generally quite healthy and agreeable. It is pre-eminent-

ly an agricultural country in which coffee constitutes about 80 per cent of the export trade. There has also been a considerable development in bananas and sugar growing. Nevertheless, although some 60 per cent of Guatemala's imports come from the United States, most of its exports go to Germany, only about one-third being sent to this country.

Results of Committee Conferences

The conference report of the Guatemala committee closed with a recommendation that one of the members, Hon. David R. Francis, of St. Louis, be sent by the Government of the United States to visit Guatemala as honorary commissioner for the purpose of studying on the spot and in conjunction with the members of the Guatemalan delegation the proposed establishment of an improved banking system. The monetary system of Guatemala needs reorganization. To be successful any plan to this end must involve a loan of \$12,000,000 gold in order to place and maintain the country on a gold basis. It was the opinion of the committee that a loan of such proportions is well within the ability of Guatemala to pay and can be raised in the United States if satisfactory terms can be obtained for it. The committee also recommended that the Federal reserve banks devote particular attention to promoting commercial relations between the American republics and that by the quotation of forward exchange rates, by the establishment of branches or agencies and by such other appropriate functions as the law permits the Federal reserve system will exercise a potent influence in establishing credits and facilitating the movements of imports and exports.

The committee reports that there is a stable republican form of government in Guatemala and that there has been no revolutionary movement of any kind in seventeen years. Consequently the assistance of foreign capital and the establishment of a gold standard will find an immediate response in the development of the country. At the present time, outside of the city of Guatemala, there is not a tramway system in the country nor are any of the cities large enough really to support one. Even in Guatemala City itself, with its 125,000 inhabitants, the tram line is still run with horse and mule power. There are, however, opportunities for American capital to finance public utilities of various kinds, whether in the way of lighting and power plants or some improvements such as sewerage construction.

The railroads are already owned practically entirely in the United States and this, in fact, constitutes almost the only investment of American capital on a large scale in Guatemala.

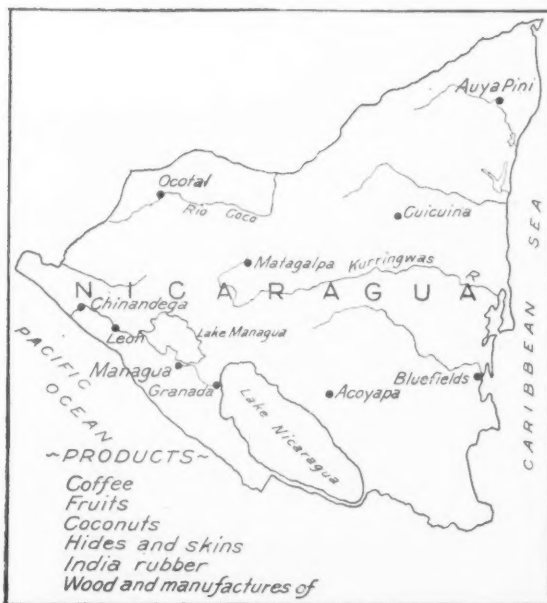
Owing to the fact that no warehouses exist under public ownership or regulation, there are no warehouse receipts. The foreign trade of the country is financed principally by means of acceptances and bills of exchange. One of the most effective methods of developing the country and increasing foreign trade would be to have American manufacturers of agricultural implements ship machines for demonstrating purposes to different parts of the country with their own demonstrators and that the government of Guatemala be requested to supervise this demonstration in instructing agriculturalists of the country in proper methods of cultivating land and using tools and machinery of modern invention.

The resources of Guatemala in valuable woods need development. Improved transportation facilities are needed to bring the wood in the rough to the mills. Portable saw-mills which would enable timber to be cut at growth could be introduced to great advantage. Improved sugar-cane milling machinery is also needed and the attention of American manufacturers to the demand for machinery of this kind is strongly urged. The Committee was very strongly of the opinion that American manufacturers and exporters should give special attention to packing merchandise in such a way as to conform not only with customs regulations, but also to the transportation requirements of the country. This would do much to popularize American commodities and manufactures and could be very properly supplemented if some arrangement could be made for the establishment and maintenance in Guatemala City of a permanent exhibition of American goods which at the present time are much less known than European wares.

The report of the Guatemala Conference Committee closed with a number of interesting recommendations including the establishment of a uniform postal system for all American countries and a uniform classification of goods for customs purposes. It was also urged that American merchants should definitely adapt themselves to granting credits of no less than 90 days, sight, for the payment of purchases in Latin American countries. As knowledge and understanding can always improve the mutual interests of two nations which do not speak the same language, the committee urged the study of Spanish in all American schools and colleges and also suggested that American institutions of learning should arrange special facilities for picked young men from Latin American schools to take up courses in political economy, finance and other subjects bearing on commerce and trade, in order that they might return to their respective countries with ideas, experience and knowledge which would serve the mutual advantages of both countries.

Nicaragua

Area, 49,200 square miles; Population, 600,000; Language, Spanish; Capital, Managua; Population, 40,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PEDRO RAFAEL CUADRA.

Official Delegation.

HON. PEDRO RAFAEL CUADRA.

HON. ALBERTO STRAUSS.

HON. C. D. HAM.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF NICARAGUA.

Representatives from the United States.

Ingle, Wm., Chairman Federal Reserve Bank, Richmond.

Austin, Richard L., Chairman Federal Reserve Bank, Philadelphia.

Brown, James, Brown Bros. & Co., New York.

Numsen, George H., President National Cannery Association, Baltimore.

Parker, Walter, Manager New Orleans Chamber of Commerce.

Rossell, John S., Vice President Security Trust & Safe Deposit Co., Wilmington, Del.

Smith, Jas. E., St. Louis.

Thompson, Hon. Arthur, Woodward Bldg., Washington.

Wexler, Sol, President Whitney-Central National Bank, New Orleans.

Wood, E. R., Vice President Board of Trade, Philadelphia.

Gonzales A. Lamas, Group Secretary.

Data Brought by the Delegation.

THE situation in Nicaragua cannot be better described than in the concluding paragraphs of the memorandum submitted to the Nicaraguan Conference Committee, by the head of the delegation from Nicaragua, Mr. Pedro Rafael Cuadra, formerly Minister of Finance and a distinguished statesman of that country.

"The Nicaraguan Government has been facing a peculiar situation entirely independent of the effects of the war. Almost all of its debts are due and the government has had no time nor has it been in a favorable situation to pay them off or to refund them. Several times it has tried to have recourse to a foreign loan, but it has always failed to accomplish it. Now it expects to apply the \$3,000,000 to be paid under the canal treaty with the United States, now pending in the Senate, to the payment of those debts which are more pressing, paying off the rest with bonds.

"The similarity between our present conditions and problems and those of the United States after the Civil War, has always attracted my attention. To make this comparison clearer I think it relevant to copy the following statement of Prof. Bastable about conditions in the United States after the Civil War:

"The first results of the contest," he says, "were a serious disturbance of industry and commerce, and a great increase of expenditure. No adequate tax system was in existence and accordingly, the extraordinary expenditure was at first almost entirely met by the use of credit. Treasury notes, culminating in unconvertible paper issues, and funded debts were both employed. * * * The great financial problems for the Secretary to the Treasury were therefore (1) to pay off, or fund,

the floating debt, and (2) to provide a permanent scheme for the future extinction of the immense liabilities created by the war."—(Public Finance, 653-654).

"I can not find better words to convey, to your attention, a clear idea of our true problems, than those used by Prof. Bastable. The origin of our pressing debts is nearly the same. The Secretary of the Treasury of the United States spent over two years in improving financial conditions. This was possible, especially because of the great resources the national credit put at his command. Needless to say that we have not been so well situated. Our nation's credit is almost nil. We have been trying to build it up to the best of our ability, but the results as yet are not very satisfactory, though we can not be disappointed with those already obtained.

"For this reason it would only accomplish the best of our wishes to secure the cooperation of the Treasury Department of the United States for us to manage successfully these vital problems. We expect something of this kind of cooperation to be the outcome of the Pan American Financial Conference, confident that once having solved our financial problems, our international trade with the United States will increase and prosper to our mutual advantages."

Another evil which has had to be faced has been an inflated currency, always a grave handicap to the development of international trade and commerce. Close economic relations between a country with a sound monetary system and another without one can lead to no mutual advantages. This situation has existed in Nicaragua for more than 15 years. The present government, however, has started a series of economic reforms which are being carried out with firmness. Although no gold coin is yet in circulation, the monetary system is now based on a gold standard, which is maintained at par with the American dollar by means of a "conversion fund" in the United States and Europe, against which drafts are drawn periodically after natural demands.

There are three banks in the country, the principal one being the National Bank of Nicaragua (Inc.), 49 per cent of the stock of which is owned by the National Government and 51 per cent by American bankers. This institution does all sorts of banking business and has a special issue department for the maintenance of the national currency. Its capital at present is \$300,000, which may be increased if necessary to meet the country's needs. The two other banks are private credit institutions whose charters were granted by the government. They do all sorts of banking business except the issue of notes.

At present a third of the trade of Nicaragua is with the United States. This may be permanently increased, but only through adoption by American merchants of the same terms of credit as that allowed by Europe before the war. After the outbreak of hostilities, foreign credit was stopped and to prevent the failure of the principal firms the government was forced by public demand to declare a moratorium. Notwithstanding this, prices have continued normal largely because stoppage of importations caused the selling out of much surplus stock. The principal exports are coffee, gold and bananas. Hides, rubber and cattle also are sent abroad.

Although Nicaragua is primarily an agricultural country the methods of farming employed are very primitive. Much could be done in this line by intelligent exploiting of American agricultural implements through agents who would be able to instruct the farmers in the advantages resulting from the use of modern improvements. The present administration of the country has had as an item on its program the fostering of this branch of national prosperity and is favorably disposed to any proper means of improving it.

One of the great problems of the country is transportation. At the moment, the building of highways and railroads is not so pressing as the proper channeling and dredging of its rivers. The Panama Canal has bettered conditions by allowing a coast to coast trade, but this is not a real cure for the evil. In this respect conditions on the Atlantic are worse than on the Pacific, because, in the latter case, there is a good

railroad from Corinto on the Pacific coast to Granada. On the Atlantic side, the best communications are offered by the river San Juan, but neglect of the channel has almost nullified its use for commercial purposes. This situation has arisen not only because of comparatively recent political disturbances, but because the Treasury has been and still is in constant difficulties very largely due to the long period of inflation of the currency. On this account the present government asked a helping hand from the United States. This was finally arranged and the cooperation of two banking firms secured. In still more extended form, an appeal to this country is contained in the treaty between Nicaragua and the United States which is awaiting ratification by the Senate.

Results of Committee Conferences

The Nicaraguan Conference Committee, in reviewing the general situation, were unanimously agreed that the ratification of the pending treaty will give new advantages to both countries, not only in aiding the development of Nicaragua, but encouraging the investment of capital by insuring continuation of the present stable and peaceful conditions. One of the members of the committee, Judge Arthur R. Thompson, a member of the Nicaraguan Mixed Claims Commission, which expired in February, 1915, issued a special statement, emphasizing the beneficial results which the proposed treaty would have on the political tranquility and economic stability of Nicaragua, affording, at the same time, a chance to develop its vast resources. He pointed out also that, in addition to the commercial advantages offered by the treaty, the United States would obtain, for the comparatively small sum of \$3,000,000, a perpetual right to the old Nicaragua canal route, together with a naval base at Fonseca Bay, on the Pacific coast, and an additional naval base on Little and Big Corn Islands, on the Atlantic side. The Secretary of State, in an address in open session on the same subject, pointed out that the treaty has been amended by an additional clause which expressly provides that none of the terms of the treaty should in any way affect the rights of any of the other countries of Central America.

The final report of the Conference Committee is brief and to the point. The present government of Nicaragua, it says, is a stable one, and it is being patriotically administered on safe and sane lines. The natural resources of the country are almost unlimited in extent and of the greatest diversity due to the variety of soil, climate and altitude. The lands in various sections are adapted to the cultivation of coffee, cacao, bananas, coconuts, pineapples and citrus fruits, tobacco, sugar, cotton and rubber, the success of which has been practically demonstrated, but in a crude and limited manner. With adequate transportation facilities the development of resources can readily be increased and find markets both at home and abroad. Vast sections of the country are especially adapted also to the raising of cattle and other varieties of live stock, being covered throughout the year with natural grass of high food value and being well watered by natural streams. However, like all the other industries in the country, the raising of cattle suffers for transportation and marketing facilities.

Geologically, Nicaragua is analogous to the State of Nevada, as a large portion of the mountain section is rich in mineral deposits of both gold and silver. An extensive area is also wooded, with primeval forests of mahogany, cedar and other valuable hardwoods, pine and dye-woods. This promising industry is so little developed that merchantable lumber is actually imported from the Gulf ports of the United States. All of the resources of the country indeed suffer almost equally from insufficient capital necessary to their proper development and lack of transportation facilities, not only from the interior to the ports, but from ports to the outside markets of the world. No more striking illustration of this condition can be given than the fact that inhabitants of the Atlantic coast of Nicaragua are

under the necessity of importing articles from the United States and other countries which are produced by and exported from the Pacific coast, although the two are only separated by an approximate distance of 200 miles.

In view of the unfavorable conditions existing in Nicaragua, and the crying demand for assistance which can best be given by the United States, the Conference Committee recommended the ratification of the pending treaty. It also urged that the national banking laws of the United States be so amended as to permit national banks to subscribe to the stock of banks organized to do business in other countries, up to certain limited specified amounts, thereby enabling banks, particularly those having less than

\$1,000,000 of capital, to become interested in foreign banks.

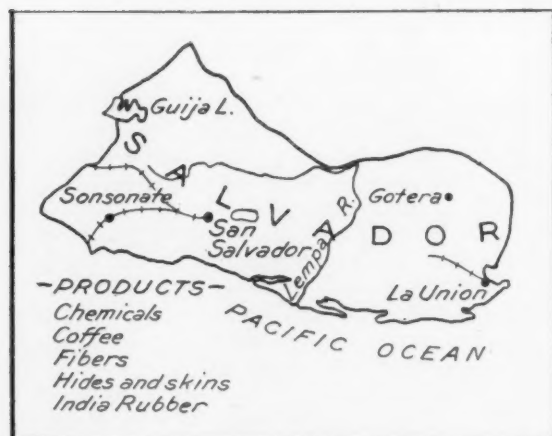
The natural possibilities of Nicaragua are positive, and the cooperation of the United States in their development is a matter of prime importance for all who are interested in the improvement of commercial relations with the Latin American Republics.

The pending treaty is a new departure and is held by many to give the United States powers which it is inadvisable as yet to assume in regard to any country of the western hemisphere. On the other hand the history of the country for the past twenty-five years leads to the single conclusion that some outside support is necessary for its stability. It has suffered from being exploit-

ed for its customs revenues and other resources by unscrupulous politicians, and indeed, since the exploits of Walker in the middle of the last century, has been the victim of a series of disturbances which had in view its latent wealth rather than the welfare of its people. Just what form outside assistance shall take will no doubt soon be decided. It is, however, not to be denied that those who advocate the ratification of the pending treaty, which conveys with it so many tangible and desirable advantages for the United States, have very strong arguments in the shape of the beneficial results which would accrue to the native population of this storm-tossed republic, whose leading representative to the conference was a man of peculiar distinction and attainments.

Salvador

Area, 7,325 square miles; Population, 1,700,000; Language, Spanish; Capital, San Salvador; Population, 75,000.



CONFERENCE COMMITTEE.

Chairman.

HON. ALFONSO QUINONES.

Official Delegation.

HON. ALFONSO QUINONES.

HON. JOSE SUAY.

HON. ROBERTO AGUILAR.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF SALVADOR.

Representatives from the United States.

Burke, Hon. John, Treasurer of the United States.
Ardrey, J. Howard, City National Bank, Dallas.
Curtiss, Frederic R., Chairman Federal Reserve Bank, Boston.
Deans, H. G. P., Merchants' Loan & Trust Co., Chicago.
Goodwin, Elliot H., Secretary United States Chamber of Commerce, Washington.
Lufkin, E. C., The Texas Co., New York.
McQueen, H. C., Wilmington, N. C.
Nickerson, J. F., Vice President Association of Commerce, Chicago.
Rowe, W. S., President First National Bank, Cincinnati.
Wilson, Dr. W. P., Director Commercial Museum, Philadelphia.
Constantine E. McGuire, Group Secretary.

Data Brought by the Delegates

THE smallest of the Latin American republics is by no means the least populous. The Republic of Salvador occupies a short and narrow strip of the Pacific Coast of Central America. The total railway mileage of the republic aggregates a little over one hundred miles. The country is primarily an agricultural one, the staple export being coffee, which affords about 80 per cent of the total exports. There is also a trade in indigo, sugar, balsam of Peru (of which Salvador has almost a complete monopoly), hides, rubber, and leaf tobacco. At the same time, there has been considerable development in mining industries, particularly gold and silver, the annual output of these two metals amounting to about \$1,500,000.

Although Salvador is 600 square miles smaller than New Jersey, it is, for Central America, densely populated. It is the only one of the Central American republics which does not front on the two oceans; its only coast line is on the Pacific. Although in the tropics, it has an equable climate, owing to the mountainous nature of the country. A railway line connects the principal port, Acajutla, with the capital, San Salvador, a distance of 65 miles. There is a branch line of 25 miles to Santa Ana and also a fine line from the capital to Santa Tecla, 9 miles. A line has also recently been rebuilt and put in operation from Ateos to Santa Ana. The international railway system of Central America, which is intended to connect Salvador with the railway system of Guatemala, is now under construction. When finished it will give Salvador

a direct rail outlet on the Atlantic and should do much to promote the commercial activity of this small but enterprising country.

The memorandum presented by the Salvador delegation as a basis of discussion in the Salvador conference committee concerned itself primarily with practical questions. In order to create or extend commerce, there are certain essentials. The first of these is the creation of profitable markets. It is also necessary that goods should be furnished in good quantity at moderate prices. Acquaintance with markets and conditions required by foreign purchasers can be obtained to best advantage only by personal investigation on the spot. Another essential for the exploitation of any favorable market is adequate transportation, and in Latin America all trade at present can only be developed with due regard to terms of credit and conditions of payment, favorable to the purchaser. At the present time the aggregate foreign trade of Salvador amounts to about \$16,000,000 gold, of which about \$10,000,000 are exports and \$6,000,000 imports. The currency of the country is established on a silver basis, which renders all foreign transactions subject to the fluctuations in value of silver in the international markets. The United States is the most important customer. It also affords the largest source of supply for importations into Salvador. The aggregate trade of the United States with Salvador is more than twice that of Great Britain, and practically three times that of Germany.

A number of other questions were also put forward for the consideration of the group committee on Salvador. Not only a commercial treaty with the United States and the improvement of the currency but also the questions of weights and measures, a uniform postal tariff would have beneficial results. At the present time Salvador, like all European and Latin-American countries, has adopted the metric system as its standard of weights and measures. The fact that the United States still adheres to the English system is a constantly recurring source of difficulty and constitutes a hindrance which is not experienced by most European countries in their trade with Central and South America. Of course the reduction of the present international rates of postage on letters and postcards would at first cause a certain loss of revenue. However, in spite of this, it would nevertheless result at the same time in an additional commercial and social bond, drawing the republics of the Americas closer together. In the same way an inter-American parcel post established on a uniform basis would constitute a further facility for increased commercial intercourse between Latin America and the United States. A closing suggestion was made that the Governments of America be recommended to except from every tax the merchant ships of the other republics, giving them the same treatment that they give their own ships so as to create an inter-American coastwise trade.

A supplementary memorandum dealing with the effects of the war and the questions suggested by the Secretary of the Treasury, was also presented by the delegation of Salvador. This memorandum showed that imports had fallen off one-seventh with the outbreak of hostilities. As a net result the government resorted to economies and arranged to avail itself of a considerable credit fund. To replace the tax on liquors and certain tariff duties, an income tax

is now under consideration as a permanent source of revenue.

In matters of currency the country is not particularly well off. The supply of coin appears to be insufficient for normal transactions of commerce and crop movement, aggregating only some \$11 per capita, including both circulating coin and credit money. This state of affairs added a point to the suggestion that the monetary unit of the United States be adopted as the legal and uniform currency of Latin America.

Although almost thirty per cent of the total government revenues of Salvador appear now to be required to meet foreign loans contracted in past years, there still seems to be a number of opportunities for further development in the way of municipal and other improvements. But in all matter of trade it is urged that credit terms ranging from 3 to 12 months are necessary, certainly in the beginning, for a more permanent establishment of increased trade with the United States.

Results of Committee Conferences

Nevertheless, the conference committee, in its report, was strongly of the opinion that additional banking capital, as well as money for general development, is extremely necessary and should be accompanied by measures to improve steamship communication and railway facilities. In this connection, the committee urged that any movement to establish American banks in Latin America should take into consideration the advantages which would result from one bank having branches in each of the countries instead of separate banks establishing miscellaneous branches or agencies. Consequently, the committee also suggested the organization of a separate corporation, not for the purpose of receiving deposits, but with power to negotiate for and distribute government loans and the securities issued by the various municipalities for public improvements and extensions of rail and water communication. This corporation should have branches in each of the countries in the same way as the single bank, referred to above, for the purpose of ordinary banking business.

Already the extension of railways is under way, but this movement should be accompanied by the construction of more and better inland highways, so that imports can more cheaply and quickly reach the points of consumption. These facilities should be supplemented by better steamship service for mails, passengers and cargoes. The budget of the republic has already taken into account a sum destined for the possible subvention of steamship lines. The committee also called attention to the lack of any commercial treaty between Salvador and the United States, and was a unit in recommending to the governments of both countries, that such a treaty, containing concessions mutually and equally advantageous, be negotiated with all possible despatch. Friendly commercial relations now suffer somewhat on the part of Salvador, by the lack of any chambers of commerce or commercial organizations to correspond with similar organizations in the United States. The committee pointed out that cooperation between organizations of this kind in both countries would be mutually advantageous, and could supplement the cooperation between banking institutions in establishing reasonable credits, furnishing prompt and reliable credit information, and generally improving and facilitating a better financial and commercial understanding.

Panama

Area, 32,380 square miles; Population, 450,000; Language, Spanish; Capital, Panama; Population, 37,600.



CONFERENCE COMMITTEE.

Chairman.

HON. ARISTIDES ARJONA.

Official Delegation.

HON. ARISTIDES ARJONA.

HON. RAMON F. ACEVEDO.

HON. RAMON ARIAS, JR.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF PANAMA.

Representatives from the United States.

Miller, J. Z., Chairman Federal Reserve Bank, Kansas City.

Clapham, A. G., President Commercial National Bank, Washington.

Coolidge, J. Randolph, Boston.

Crane, Charles R., Chicago.

Howard, A. B., American Express Co., Washington.

Lane, Miles P., President Citizens & Southern National Bank, Savannah.

Norris, George W., Philadelphia.

Reynolds, Hon. James B., National Association of Cotton Manufacturers, Washington.

Wade, F. J., St. Louis.

Walter S. Penfield, Group Secretary.

Data Brought by the Delegation

FROM the close association of the Republic of Panama with the United States, owing to the fact that the Canal Zone cuts this newest of the Latin American republics in two, and owing also to the part which the United

States has consequently taken in the affairs of the little republic, the problems affecting our commercial relations are better known and less difficult than those of other Latin American countries. Nevertheless, the memorandum submitted to the Conference by the Panamanian delegation is an interesting one and reviews conditions which have not been thoroughly appreciated.

For example, in spite of the frequent steamship communication between the United States and Panama, the revenues of the republic have increased 30 per cent since the beginning of the European war. This has been primarily the result of the decrease in imports, as a large part of the revenue is derived from this source. It is, however, also claimed to be due to the decline of local commerce resulting from the establishment of commissaries by the Canal Zone government. In order to meet this shrinking in the revenue temporary taxes have been imposed by law and the ad valorem custom duties have been increased by 20 per cent. The latter increase is subject to the approval of the government of the United States, under the terms of what is known as the Taft Agreement, and the official delegation expressed the opinion that it was a matter of urgent necessity for the government of the United States to approve the increase in order to meet the situation facing the Panamanian Government.

The delegation also brought forward the matter of differential rules established by the Panama Railroad Company. This company, of course, belongs to the Government of the United States, and the delegation very properly brought to the attention of the Conference questions concerning its operation. In regard to the other questions brought forward during the conference, or presented for preliminary consideration before the actual meeting of the delegates, the Panamanian delegation expressed itself in thorough accord with any proposals presented for the general benefit of the republics.

Results of Committee Conferences

The conference committee, in its final report, enlarged upon the operations of the commissaries now established by the Canal Zone Government and recommended the abolition of the present practice of commissaries owned directly or indirectly by the United States in selling to ships

which call at Cristobal, or Balboa, or pass through the Canal, all classes of provisions, supplies, and other articles, excepting coal, oil, water, cold storage and other supplies or services not procurable in the republic of Panama or the Canal Zone, provided, of course, that such a regulation should not apply to ships owned by the United States Government. The committee further urged the abolition of the discriminatory freight rates by sea and land established by the Panama Railroad Company to the detriment of commercial interest of the republic, and also urged permission to use the Canal, subject to Canal regulations and tolls, for merchant ships or other vessels desiring to use it for transportation purposes between the ports of Panama and Colon.

In regard to banking and shipping, the committee earnestly recommended to the Federal Reserve Board the opening of branch banks in all the countries of Central and South America and the general improvement of ocean transportation between all the countries of the Americas, to be accompanied by an extension and finally by the general use of dollar exchange in all quotations of prices, drafts, etc.

Whatever detriment the republic may temporarily suffer from the commissary stores established in the Canal Zone have been more than offset by the fact of the Canal itself. Of course for many years, since the days of the conquest of Peru, the Isthmus of Panama has always been an international highway between Europe and the East. With the building of the Panama Railroad in the middle of the last century the convenience of the route was more adapted to modern conditions. But Chagres fever was a pest which many a merchant and sea captain bore away with him as the only substantial souvenir of his stay in old Panama. Today the new republic faces quite different conditions and a far more promising era of prosperity than ever before. It is now permanently and definitely established as one of the world's greatest and newest highways. The future trade of the Canal lies before it; not only with regard to the countries of South America but also with regard to Australasia and the Far East. Frequent steamship communication with the rest of the world, many and substantial banking facilities and a rich and virgin territory to develop offer prospects of a most encouraging character.

Dominican Republic

Area, 19,325 square miles; Population, 700,000; Language, Spanish; Capital, Santo Domingo; Population, 30,000.



CONFERENCE COMMITTEE.

Chairman.

HON. FRANCISCO J. PEYNADO.

Official Delegation.

HON. FRANCISCO J. PEYNADO.

HON. ENRIQUE JIMENEZ.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF THE DOMINICAN REPUBLIC.

Representatives from the United States.

Fancher, E. R., Governor Federal Reserve Bank, Cleveland.

Emerson, Guy, New York.

Falconer, Charles E., President Merchants & Manufacturers' Association, Baltimore.

Hollander, Prof. J. H., John Hopkins University, Baltimore.

Jordan, G. G., Columbus.

Penny, David H. G., Vice President Irving National Bank, New York.

Pepper, Charles M., Washington.

Rhett, R. G., Charleston, S. C.

Saunders, W. L., Ingersoll, Rand Co., New York.

Warfield, Edwin, Baltimore.

G. A. Sherwell, Group Secretary.

Data Brought by the Delegation

THE memorandum setting forth conditions in the Dominican Republic, which served as a basis of discussion for the Conference Committee of that country, opened with a statement that the task of rapidly strengthening the commercial relations between the United States and Latin American countries is, above all, an educational one.

It was pointed out that the war which has closed German and Austrian ports to general commerce has necessarily caused, and for some time will continue to cause, a tangible increase in American international commerce. However, this increase will only be temporary unless an educational campaign is undertaken which will teach the people of Latin America that, here in the United States, they now produce or are in a position to produce practically all the articles manufactured by Europe.

Unless such a campaign is carried on successfully, it is not to be doubted that, when the war is over and the belligerent countries gradually resume their normal trade operations, trade will return to the channels in which it flowed before

the outbreak of hostilities and for the simple reason that a short experience and the good will of nations are not alone able to destroy ideas or prejudices or practices which have existed for many years. It will also be necessary to convince Latin Americans that they may continue doing for their convenience that which they have had to have recourse to from necessity.

In an international educational campaign one of the most powerful instruments is the postal service. Consequently, the feature emphasized by the Dominican delegation was the appointment of a special committee to study and to propose to all the American governments a project for a Pan American Postal Convention to include the following provisions:

1. That the same rate of postage for letters and printed matter which exists in the domestic mail service of the United States shall be extended to all countries of the Pan American Union.

2. The adoption by all countries of the Pan American Union of the United States regulations with regard to second class mail and rates of postage.

3. The adoption of a uniform system of money orders and parcel post by all countries of the Pan American Union.

4. The institution of a Pan American postal commission, with headquarters in the city of Panama, to serve as a sort of a clearing-house for the postal administrations of all of the Pan American countries.

Results of Committee Conferences

The Conference Committee, in addition to adopting the memorandum submitted by the Dominican delegates, took up a more extended

study of the situation which included questions of public finance, the monetary situation, the extension of inter-American markets, a merchant marine, and improved transportation facilities. It was pointed out that the only market for one of the chief products of the Dominican Republic, namely, tobacco, has been Germany. Since the outbreak of the war the tobacco ordinarily sent to Germany has had to be held in storage. Consequently, the Dominican merchants have been deprived of buying what they used to purchase with the price of their tobacco and this in turn has resulted, of course, in a corresponding decrease of import duties.

The only remedy for this condition is the finding of a new market for Dominican tobacco. Unfortunately, such a market is not available in the United States, because American import duties on tobacco are prohibitive. Dominican tobacco is similar in grade to that of Porto Rico and consequently can only be introduced into this country advantageously under conditions similar to those granted to Porto Rico. It was, therefore, suggested that a reciprocity treaty be negotiated between the United States and the Dominican Republic which would admit tobacco to the United States markets under advantageous conditions and in turn admit some of the prod-

ucts of the United States into the Dominican Republic under similar favorable conditions.

The results of such a reciprocity treaty would, it was claimed, be mutually advantageous, as the Dominicans would necessarily buy in the United States with the price of their tobacco the manufactured articles which they have previously bought in Germany.

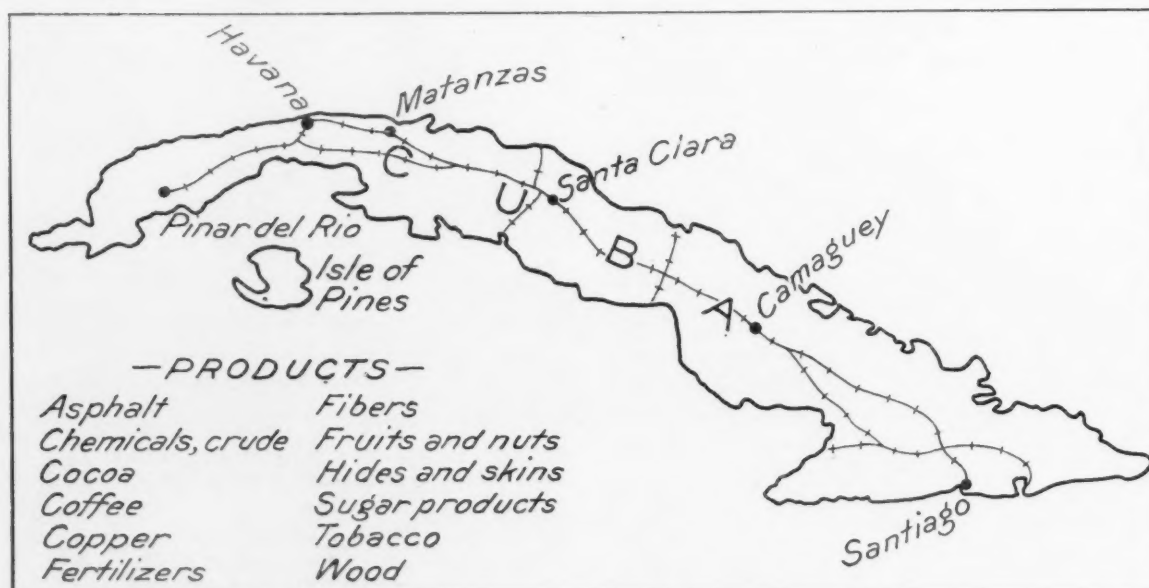
Except that the war has stopped Dominican credits in Germany, it has not seriously affected the monetary condition of the country. Banking conditions in Santo Domingo are somewhat unusual. The two principal banks are the Royal Bank of Canada and the National Bank of Santo Domingo. Neither of these banks issues bills and neither of them gets extensive deposits from the public, owing to the fact that very few people in the island have as yet acquired the habit of depositing their savings. The main banking business at the present time is the discounting of drafts made by exporters upon European and American houses. The Committee pointed out further that there are ample and highly profitable opportunities for the investment of capital in the building of highways, steam railways, electric railways, electric light, gas, and power plants.

Further, an opportunity is open to increase the consumption of American manufacturers by fa-

cilitating the sale of goods on credit in much the same way as has been done hitherto by Germany. The chief essential necessary to render such an extension of credit terms mutually advantageous is for American merchants and bankers to gain the same personal knowledge of Dominican exporters that the Germans acquired. But it was repeatedly urged that the situation of the Dominican Republic, lying as it does between Cuba and Porto Rico, which both enjoy tariff concessions in the United States and are both engaged in sugar and tobacco growing, has necessarily affected trade relations with the United States. The negotiation of a reciprocity treaty between the Dominican Republic and the United States was urged as being worthy of special consideration at this time. If such a treaty were effected, instead of only one line of passenger steamers plying regularly between New York and Dominican ports, making a trip two or three times a month, the growth of trade would necessarily lead to the establishment of additional lines providing regular service. Only a thorough understanding of the general situation as urged by the Committee can permanently bring about the desired results and improve the financial and commercial relations of the two countries.

Cuba

Area, 44,164 square miles; Population, 2,383,000; Language, Spanish; Capital, Havana; Population, 350,000.



CONFERENCE COMMITTEE.

Chairman.

HON. PABLO DESVERNINE Y GALDOS.

Official Delegation.

HON. PABLO DESVERNINE Y GALDOS.

HON. PORFIRIO FRANCA Y ALVAREZ DE LA CAMPA.

HON. OCTAVIO ZAYAS.

Special Guest of the Secretary of the Treasury.

THE MINISTER OF CUBA.

Representatives from the United States.

Miller, Hon. Adolph C., Federal Reserve Board.

Belmont, August, New York.

Brown, F. Q., Redmond & Co., New York.

Conant, Charles A., New York.

Esberg, A. I., New York.

Farquhar, A. B., A. B. Farquhar & Co., New York.

Fuller, Paul, New York.

Harrison, Fairfax, President Southern Railway Company, Washington.

Loeb, Wm., Jr., American Smelting & Refining Co., New York.

Paine, A. G., Jr., President New York & Pennsylvania Co., New York.

Rhoads, Charles J., Governor Federal Reserve Bank, Philadelphia.

C. H. Crennan, Group Secretary.

Data Brought by the Delegation

THE Cuban delegation, in the memorandum it prepared as a basis for discussion in the Conference Committee, pointed out at once that the commercial and financial relations between Cuba and the United States are already of such importance and magnitude, and so very close, that Cuba is not in such great need of bringing about serious changes in its intercourse with this country in the same measure at least, as are the other countries of America.

In illustration of the close relationship of Cuba with the United States, the delegates called attention to the fact that very nearly 81 per cent of the total exports of Cuba are already regularly exported to this country, while approximately 53 per cent of Cuba's imports regularly

come from the United States.

It was suggested that this condition was largely due to the beneficial operation of the Reciprocity Treaty, entered into between the two countries in the year 1903. The fundamental feature of this treaty is the mutual concession which both nations have made to each other in their respective tariffs. At the same time attention was called to the fact that if, under the present tariff law of the United States, all sugars are admitted free of duty, Cuba will no longer hold a preferential position in regard to other sugar-producing countries, and that, consequently, the Treaty will cease to benefit Cuba in its principal export unless some other agreement is enacted by way of compensation for its loss of preference.

Coming to the results of the war, the memorandum indicates that the effect would have been disastrous for Cuba, but for the fact that the absence of the competitive sugars of Germany, France, Russia and other European countries has so advanced the prices of Cuban sugars as in some measure to make up for losses in other branches of trade.

Notwithstanding the cancellation of foreign credits by European bankers, banking conditions in Cuba were not so seriously affected as might have been expected, not only because this cancellation occurred at a time when bank credits are not generally used by local banks in Cuba, but also because, during the fall, credits were extended by New York banks. Another effect of the war which has not been unfavorable, has been such a scarcity of French and Spanish gold as to move the Cuban Congress to pass a law coining gold and silver currency by the Cuban Government to circulate as legal tender. By the new currency law American money is declared legal money in Cuba.

It is interesting to note that, prior to the beginning of the European war, a large part of the banking relations between Cuba and the United States was made by Cuban banks through London, Paris and Hamburg, from which bank credits were obtained and used in Cuba for movement of the crops and for monetary advances to planters. It has been estimated that these credits varied from 8 to 10 million dollars and at times aggregated as much as \$20,000,000. As the European banks cannot now afford to arrange to advance money or grant credit, Cuba has, necessarily, applied to American banks. American banks appear to have responded by granting credits to Cuba against sugar deposited in first-class warehouses or against shipments of sugar to the United States. Once the safety and security of this method of extending credit is assured and American bankers have become accustomed to it, there is no reason why Cuba should again have recourse to the banks of England, France and Germany.

The Cuban delegates, in common with all the others, agreed that the further investment of American capital and a general movement for uniformity of laws affecting trade and commerce, would both materially aid the increase of friendly relations with the United States. As in other Latin American countries, the extension of longer credits by American houses is urged as very necessary and as being a measure which, taken in conjunction with improved postal and banking facilities, will do much to further the purposes had in view in calling the Pan American Financial Conference together.

Results of Committee Conferences

The Conference Committee based its recommendations on the very able survey of Cuban conditions presented by the Cuban delegates in their memorandum. The committee's final report thus included additional recommendations affecting trade relations, as limited by the high duty in this country on Cuban tobacco and the change in the bearing of the Reciprocity Treaty under our latest tariff law; transportation, in which it was suggested that Cuba be made a port of call for steamships plying between North and South Americas; parcel post established on a basis to allow for the importation of cigars; extension of credits; proper commercial representation on the part of agents and traveling salesmen representing American houses in Cuba; the cooperation of diplomatic and consular officers in both countries in maintaining standards and statistical data; fuller commercial information respecting the two countries; uniformity of commercial laws; and the establishment of some kind of machinery for the arbitration of commercial disputes. The report of the Conference Committee was signed by the Chairman, Dr. Pablo Desvernine y Galdos, Secretary of State of Cuba and formerly Cuban Secretary of the Treasury.

The Principal Addresses

In Summary and Quotation

THE opening session of the conference was marked by an address by the President of the United States, delivered in his happiest vein of eloquence and cordiality. The address was so brief and yet so replete with sympathetic understanding of possibilities of closer relations between the republics of the western hemisphere, that it is given in full:

The President of the United States

"The part that falls to me this morning is a very simple one, but a very delightful one. It is to bid you a very hearty welcome indeed to this conference. The welcome is the more hearty because we are convinced that a conference like this will result in the things that we most desire. I am sure that those who have this conference in charge have already made plain to you its purpose and its spirit. Its purpose is to draw the American Republics together by bonds of common interest and of mutual understanding; and we comprehend, I hope, just what the meaning of that is. There can be no sort of union of interest if there is a purpose of exploitation by any one of the parties to a great conference of this sort. The basis of successful commercial intercourse is common interest, not selfish interest. It is an actual interchange of services and of values; it is based upon reciprocal relations and not selfish relations. It is based upon those things upon which all successful economic intercourse must be based, because selfishness breeds suspicion; suspicion, hostility; and hostility, failure. We are not, therefore, trying to make use of each other, but we are trying to be of use to one another.

"It is very surprising to me, it is even a source of mortification, that a conference like this should have been so long delayed, that it should not have occurred before, that it should have required a crisis of the world to show the Americans how truly they are neighbors to one another. If there is any one happy circumstance, gentlemen, arising out of the present distressing condition of the world, it is that it has revealed us to one another; it has shown us what it means to be neighbors. And I cannot help harboring the hope, the very high hope, that by this commerce of minds with one another, as well as commerce in goods, we may show the world in part the path to peace. It would be a very great thing if the Americans could add to the distinction which they already wear this of showing the way to peace, to permanent peace.

"The way to peace for us, at any rate, is manifest. It is the kind of rivalry which does not involve aggression. It is the knowledge that men can be of the greatest service to one another, and nations of the greatest service to one another, when the jealousy between them is merely a jealousy of excellence, and when the basis of their intercourse is friendship. There is only one way in which we wish to take advantage of you and that is by making better goods, by doing the things that we seek to do for each other better, if we can, than you do them, and so spurring you on, if we might, by so handsome a jealousy as that to excel us. I am so keenly aware that the basis of personal friendship is this competition in excellence, that I am perfectly certain that this is the only basis for the friendship of nations,—this handsome rivalry, this rivalry in which there is no dislike, this rivalry in which there is nothing but the hope of a common elevation in great enterprises which we can undertake in common.

"There is one thing that stands in our way among others—for you are more conversant with the circumstances than I am; the thing I have chiefly in mind is the physical lack of means of communication, the lack of vehicles,—the lack of ships, the lack of established routes of trade,—the lack of those things which are absolutely necessary if we are to have true commercial and intimate commercial relations with one another; and I am perfectly clear in my judgment that if private capital cannot soon enter upon the adventure of establishing these physical means of communication, the government must undertake

to do so. We cannot indefinitely stand apart and need each other for the lack of what can easily be supplied, and if one instrumentality cannot supply it, then another must be found which will supply it. We cannot know each other unless we see each other; we cannot deal with each other unless we communicate with each other. So soon as we communicate and are upon a familiar footing of intercourse, we shall understand one another, and the bonds between the Americas will be such bonds that no influence that the world may produce in the future will ever break them.

"If I am selfish for America, I at least hope that my selfishness is enlightened. The selfishness that hurts the other party is not enlightened selfishness. If I were acting upon a mere ground of selfishness, I would seek to benefit the other party and so tie him to myself; so that even if you were to suspect me of selfishness, I hope you will also suspect me of intelligence and of knowing the only safe way for the establishment of the things which we covet, as well as the establishment of the things we desire.

"I have said these things because they will perhaps enable you to understand how far from formal my welcome to this body is. It is a welcome from the heart, it is a welcome from the head; it is a welcome inspired by what I hope are the highest ambitions of those who live in these two great continents, who seek to set an example to the world in freedom of institutions, freedom of trade, and intelligence of mutual service."

The Secretary of State

The Secretary of State, who followed the President, emphasized the fact that the conference was not an ordinary occasion because, on ordinary occasions, the Secretary of State, as the President's representative in dealing with foreign nations, was accustomed to welcome the visitors. This conference was an epoch-making event, and one deserving that the welcome should be spoken by the President himself, and not by a representative. Mr. Bryan continued:

"I shall content myself with presenting the one thought that has been uppermost in my mind since this idea was presented to our Nation and to the nations assembled here. It is the idea that we are neighbors.

"God in His providence has made these Republics the joint tenants of that wonderful heritage which extends from the St. Lawrence and Puget Sound on the north to Cape Horn on the south. We have taken upon ourselves the responsibility of developing this territory for ourselves and for the world. It is dedicated to a system of government—to the republican form of government. The United States is the parent stem; the branches, extending to the south, have taken root in the soil and are now permanent supports—yes, important parts—of that great tree. Linked together by a unity of political purpose and by a common political ideal these Republics can not but be interested in each other. We are geographically so situated that we must live side by side, and certain expectations are aroused by the very fact that we are neighbors.

"The first is that we shall know each other. Neighbors should become acquainted, and this great meeting must result in an extension of acquaintance which is not only desirable, but necessary. I am sure that the Secretary of the Treasury had in mind this more intimate association; as we know each other better we shall be more and more assured of the good will of each toward the other.

"The next expectation, suggested by the fact that we live side by side, is that of mutual helpfulness. Neighbors must not only know each other and be friends, but neighbors must help each other as opportunity offers. With acquaintance increasing and friendship established, I take it that the principal purpose of this meeting is to find ways in which we may be helpful to each other.

"The President has suggested one, and a very important one, namely, cooperation in the providing of means of communication. He has used

his great influence to secure authority for this Nation to do its part, and I doubt not that his efforts will find a response in the nations here assembled and that in the course of time these nations, by cooperation, will establish lines of communication which will not only be of advantage in ordinary times but will protect our commerce from interruption if at any future time the nations in other parts of the world find themselves unable to settle their disputes by the peaceful methods which we expect to employ."

Dr. Triana for the Latin-Americans

Speaking in turn, in the alphabetical order of their countries, a representative of each delegation replied to the welcome of the President and the Secretary of State. All of these addresses evinced a fine spirit of willingness to cooperate on the part of each country, and an astonishingly keen appreciation of the future possibilities of Pan American solidarity and the significance of the exceptional conditions occasioned by the European war. Eighteen countries voiced such sentiments, through their accredited spokesmen. As it is impracticable to reproduce verbatim what was said, the following passages are quoted from a subsequent address delivered by Mr. Santiago Perez Triana, the eloquent chairman of the delegation from the republic of Colombia, which summarize and suggest the underlying symbolism of the conference. In asserting the essential similarity between the political and social ideals of Latin America and the United States, "freedom through democracy," Mr. Triana awoke a new train of thought as to the future:

"This Conference has been called for the specific purpose of improving financial relations. I take it that that is a means—one of the many means—to a great end. The great end, taking it in a large way, is the welfare and happiness of the peoples of this Continent. That happiness and welfare must be developed on the lines, socially, politically and internationally, that have thus far been followed. We have achieved great success; and those lines are, as far as human vision can go, the true ones and the honest ones. Therefore, there is no reason why they should be changed. Those lines are crystallized in the words, "seeking freedom through democracy." Inasmuch as there is no freedom without justice, that expresses it all. This Conference, therefore, is devoted to freedom and to democracy; and every effort to maintain freedom and democracy on this Continent, like this one for the improvement of financial relationships, comes under that head.

"At various times during the history of this Continent, since the beginning of its political emancipation, it has been found necessary to place on record utterances, or to take steps to emphasize the fact, that the Continent is first and foremost devoted to democracy, and that no interference from outside, in any shape whatever, can or will be tolerated. * * * *

"That brings me to this conclusion: The hour of watchfulness has only just begun for us now. The danger that I allude to does not lie in the perversity of individual men, or in the perversity of collectivity. It is the growth of circumstances,—circumstances that are deeply rooted in the past centuries; and it will be indispensable for certain systems,—which constitute, as I might call them, the sediment of the history of Europe,—to be eliminated, so as to establish democracy in its fullest meaning, before those circumstances disappear. And they will not disappear easily. They will die hard and die fighting. Therefore we Americans must be prepared to make the inviolability of our Continent stronger each day.

"We have seen by this war in Europe what that inviolability means. We have seen that we are immune from many evils; that we can open our arms and our hands, and help not only the nations of this Continent, but also the nations of Europe, thus fulfilling a great mission. Those are sacred trusts, which we must work out and develop to their fullest capacity.

"And I love my Continent, and my section of it. Moreover, I love the poor of this Continent more than the rich, because they have more

work to do. The more powerful the country among us, the more is its duty to be generous and to decree solemnly that our territory shall not be violated. That will tend to the peace of the Continent. And let it not be thought that I am referring only to the strongest nation, for the microbe of imperialism very soon invades all the organs. This is something very peculiar, and it demonstrates how woefully embryonic is the development of mankind. Your honest man, your sincere man, your Christian man, who will not take the ear of corn from his neighbor's field singlehanded, from the moment he becomes numerous and acquires a collective conscience not only takes the ear of corn, but the field and the life of his neighbor to boot, calling it conquest. Then he presents himself as a hero of patriotism.

"From the high summit of Executive Power it has been declared in this very Conference that it should be honesty, and not convenience, that should guide the policy of nations. We should hold that truth aloft. That is the flag of right."

The Secretary of the Treasury

Secretary McAdoo's reply to the speeches of the foreign delegates not only reviewed the conditions which had suggested to him the calling of the conference, but outlined the plan of proceedings which, by combination of open sessions with group conferences, would bring out the particular conditions and practical problems confronting each of the countries represented. He concluded with an announcement that he would appoint a special committee from the members of the conference to consider the question of obtaining, throughout the Americas, laws of substantial uniformity relating to commerce and finance, particularly in such matters as trademarks and patents, consular invoices, bills of lading, regulation of commercial travelers, admission of samples, and many features of customs laws, uniform monetary standard and bills of exchange. The following passages from his speech are most suggestive:

"It is not from selfish motive or sordid desire for material gain that this conference draws its inspiration. It has a deeper and a finer meaning. We meet for the purpose of considering how and in what manner the great Republics of the Western Hemisphere, representing as they do common ideals of liberty, justice, and self-government, and dedicated as they are to the highest and best interests of humanity, may, through common action and interest, not only conserve their material welfare but become a more homogeneous and powerful moral force for the preservation of peace and the good of humanity ***.

"We are all anxious to achieve practical results. We do not wish this conference to culminate in mere debate. We of the United States earnestly desire that you shall give to us the most complete and authentic information concerning the financial and economic needs of your respective countries and about every problem which you think we may consider to your and our advantage. We realize that each country has its own distinctive problems; that the problems of one country probably do not relate to those of its neighbors; that such problems may concern governmental of public financing, tariff laws as they affect the United States trade, commercial credits and direct exchange with the United States, ocean transportation, and various other things. Manifestly the specific problems of each country can not be debated with advantage or benefit in the general sessions of the conference. In order, therefore, to give each country the opportunity of discussing its particular problems with the utmost frankness and freedom, we have adopted the plan of dividing the delegates of the United States into 18 committees. One of these committees will be assigned to each of the countries represented in the conference. This will bring about a series of group conferences, where the problems of each country may be discussed with a body of representative bankers and business men of the United States, who will do their utmost to cooperate in the most effective possible manner with the delegates of the several foreign countries in arriving at tangible and practical results."

The Postmaster General

Commerce and finance go hand in hand, but, in international exchanges, both are much facilitated by that universal handmaid of civilization, the postal service. On this account it became peculiarly appropriate that between the address

of the Secretary of the Treasury and the Secretary of Commerce a few remarks should have been interjected by the Postmaster General. After urging upon the foreign delegates that their respective governments should, as soon as the conclusion of the war afforded some relief to the postal revenues, consider the adoption of a two-cent postage rate for letters throughout the Americas, Mr. Burleson made a very strong plea for the extension of the parcel post and money order service, insisting that proper, frequent and regular steamship transportation was the absolutely essential complement of any adequate mail service. He said:

"You can understand that we can not develop a parcel post service without the assistance of an efficient money-order service. And do you know that at this time there is a money-order convention of the United States with only three Central American countries, and with only four of the great countries of South America?"

"I am not going to name them, but these conventions are not with the great countries of South America but with four of the smaller ones. Now, gentlemen, there is a reason for this. These countries have been given the opportunity, time and time again, to enter these conventions, and the matter has been taken up by the authorities of the United States with each of the directors or controllers of postal affairs of various countries of South and Central America, and the advantages of this service have been pointed out to them. Two of the countries of South America do not even have a domestic system of money orders, but all of them, save these two, have a very efficient domestic system of money orders, and yet, as I tell you, we have a money-order exchange convention with only seven countries of Latin America. One of the reasons why we do not have it is the varying standards by which values are measured, as well as their wide and frequent fluctuations. Before we can have satisfactory money-order conventions between the United States and all the countries of Central and South America, there must be established in this country, in my judgment, a banking facility that will enable us to have exchange in dollars and not in pounds sterling.

"Gentlemen, I have given in brief the outline of the condition of postal affairs as between our country, my country, and the various countries of Central and South America. If fairly satisfactory trade relations are to be established between these various countries, we must have efficient postal service between each and all of them.

"In my opinion, the first thing that must be done is the establishment of proper, frequent, and regular steamship transportation facilities; not for the advantage of the United States, for, in my opinion, this ought to be done in cooperation between the countries of South America and the United States or between the citizens of the countries of South America and the citizens of the United States."

The Secretary of Commerce

The Secretary of Commerce, Mr. Redfield, further emphasized the need of more rapid and frequent transportation between the republics of America, already indicated by Secretary McAdoo and the Postmaster General. After expressing his pleasure at meeting such distinguished representatives, and his hope that the conference might have practical and tangible results, he laid stress on the necessity for more easily available and reliable credit information and transactions and the accompanying urgency for increased banking facilities. Reverting again to the question of transportation, he said:

"The same thing is true in matters of transportation. I suppose no nation has ever paid so great a premium on behalf of its commerce as we have paid in the cost of the Panama Canal. If we are to get the results of that investment, there must be ships under our own control to navigate that canal wherever and as often and of such a character as the needs of our commerce require. This, one might think, is purely a matter for ourselves, but it is not wholly so. It ought to be the case that all of the peoples here represented shall be bound together by ocean transit lines as frequent and as good as those which ply from any land to our common parts."

"Upon these general statements most men will agree, save, perhaps, those whose direct interest

in this subject may lead them to look with normal hesitancy upon a larger competition in their own field of activity. The nations require better means of transportation. More and better ships are necessary to bring your goods to us and ours to you; aye, to bring you here and take us yonder. It is a vital necessity that if America is to be more closely knit together it should be made as easy and as rapid as possible for us to go and for you to come and for our letters and our goods to move frequently and with speed. We are in this country in the humiliating position of doing our foreign trade by the consent of those other peoples who have the ships to carry it. This consent is of course given so long as it is profitable for them to give it. The danger of the situation lies in the fact that our interests may not always be common, and when they diverge they may if they will divert the means whereby our commerce lives. So long as they need the things that we produce and can profit by moving them for us they will of course do it; but if some sterner necessity arose with them they might neither be able nor willing so to do, and then we would suffer. I do not think the people of the United States, when once they realize that it has been by the protection of foreign navies only that we have been able to carry on our foreign commerce in recent months, will be willing long to have it remain so."

The Governor of the Federal Reserve Board

At the second general session, on the morning of May 25th, a most valuable contribution to the general deliberations of the conference was provided by the Governor of the Federal Reserve Bank. Mr. Hamlin not only gave a very clear and terse review of the circumstances of our old banking system which had done so much to hamper our international financial and trade relations, but indicated with equal clearness just how the new system was fashioned to adapt the tremendous financial resources of the country to the growing demands of our foreign and domestic commerce. A few passages from his remarks illustrate some of the points he emphasized:

"Prior to November 16, 1914, when the new Federal reserve banks opened their doors, we had approximately 7,500 banks in the United States chartered by the National Government, and having the sole right to issue notes known as national-bank notes. The capital and surplus of these banks was a little under 2 billions of dollars, and taken in connection with their deposits represented a banking power of over 9 billions of dollars. There were also over 20,000 state banks, trust companies, and savings banks, chartered by the respective States, representing a capital and surplus of a little over 2 billions of dollars, and including deposits, representing a banking power of over 14 billions of dollars.

"These banks, both National and State, were independent and isolated, except as to a limited interdependence of some State institutions through stock ownership. They together constituted over 30,000 individual units, between which in times of financial stress effective cooperation was impossible. * * * *

"Under our old system the banks of the United States were in the position of an army entering into action as a disorganized body of individuals, without a single officer and without a single company, battalion, regiment, or brigade.

"That our oft-recurring panics under the old system did not involve more of our banks and their customers in general ruin is one of the wonders of financial science and is a great tribute to the marvelous recuperative powers and unrivaled resources of our people. * * * *

"The question remains as to how the Federal reserve act remedies the defects which I have outlined as characteristic of the old system.

"The first fundamental defect of the old system pointed out by me was that each national bank was independent, and that as a result we had 7,500 independent banks and 7,500 scattered reserves, no effective cooperation being possible, nor could the individual reserves even be drawn upon legally by the very banks which owned them. * * * *

"This defect is remedied under the Federal reserve act through the capital and reserve deposits placed by each member bank with its reserve bank. These payments constitute a substantial fund—already about 350 millions of dollars, and constantly growing * * * *"

This commercial paper offered by the banks for discounting acceptances and for certain open market investments I shall not undertake to enumerate today. Any bank desiring funds can take its commercial paper to the Federal reserve bank and obtain gold or lawful money in exchange. This privilege enables a bank to loan freely in times of commercial stress and to draw down its available resources far below what would have been considered prudent under the old system * * * *

"The Federal reserve act also authorizes national banks, for the first time, to accept bills of exchange growing out of the import and export trade under certain reasonable regulations, and the Federal reserve banks are also authorized to discount such acceptances. This grant of power is a most valuable one and will enable our banks to finance our foreign trade by loaning their credit upon these acceptances. By this grant of power the so-called dollar acceptance is made for the first time possible, and this means much for the future development of our trade, especially with the great nations of Central and South America, and will add much to our ability to assist them in financing their sales to and purchases from the United States.

"The Federal reserve act, however, has done much more to help make possible closer trade relations with foreign countries. The Federal Reserve Board is given power to permit national banks to establish branches in foreign countries, and it is at once apparent what a great assistance this will be, not only to the United States but likewise to the great nations who are trading with the United States, especially those whose delegates are assembled here. Branches of national banks have already been authorized in Argentina, Brazil, Panama, and other countries, and it is confidently expected that a great development in our trade relations with such countries will result.

"The Federal Reserve Board is also authorized to permit the Federal reserve banks to open and maintain banking accounts, appoint correspondents, and establish agencies in foreign countries, for the purpose of purchasing and selling bills of exchange arising out of commercial transactions; these banks are also authorized to deal in gold coin and bullion at home and abroad. It is easy to see what power the Federal Reserve Board, through the Federal reserve banks, will thereby have, in connection with its power over discount rates, over the movement of the precious metals into and from the United States."

A Member of the Federal Reserve Board

Further emphasis on the part which the United States, under the operation of the Federal Reserve System in foreign banking will now be able to play, was made by Mr. Paul M. Warburg, the member of the Federal Reserve Board most expert in all matters pertaining to international banking. He claimed that the day of the opening of our Federal reserve banks will mark the advent of the financial independence of the United States. The great lending country of the world up to the outbreak of the present war has been England. It was England's call upon her creditors to settle their debts, at a time when every one of them was at a disadvantage, which had much to do with the universal embarrassment in banking circles during the first few months of hostilities. Here a clear indication was given that it was worth while for one country to be financially independent of others, or at least to distribute its indebtedness as widely as practicable. The way now lies open for the United States. The establishment of a world discount market cannot be done over night, but here again the Federal Reserve System can now step in and provide resources and facilities hitherto denied to American bankers and merchants. Mr. Warburg's own words seem to convey a very clear idea of how this may be done:

"It may be opportune to point out in this connection that the Federal reserve act gives ample powers for the development of this business, even though these powers may have to be still further enlarged. Member banks may accept, and Federal reserve banks may discount bills arising out of transactions based upon the 'importation or exportation' of goods. The Federal Reserve Board has been advised by its counsel that the words 'importation' and 'exportation,' as used in this connection, need not

be construed as confining these transactions to importations or exportations into or from the United States, but that these transactions may also cover shipments between foreign countries. We shall be in position, therefore, to serve as bankers of our American sister Republics, not only in their trade with us, but even in their trade with others. * * * *

"There is one other signal service that Federal reserve banks can render in this respect; that is, to facilitate the quotation of so-called 'forward discount rates.' A bank in a foreign country, when buying a dollar acceptance, must be assured of the rate at which the bill will be discounted when it reaches our country. On this rate it will largely depend whether the foreign shipper will use his European or his American credit facilities. The Federal reserve banks are fully alive to the importance of this question, and I may state on behalf of some of the largest of these banks that they will be prepared to give the greatest possible assistance by adopting a liberal policy in quoting such forward discount rates, good for a certain date or for delivery upon the arrival of mail by a given steamer."

The Chairman of the Federal Trade Commission

The following passages from an eloquent address by the Chairman of the newly constituted Federal Trade Commission, Mr. Joseph E. Davies, delivered at the fourth general session of the conference, Thursday, May 27th, need little comment as expressing in imagery and aspiration the reflection of the spirit which underlay the practical work of the conference, accomplished in the meetings of the group committees:

"We are of different races and tongues and creeds, but we have this heritage in common: Our ancestors all had the virtue and vigor of the pioneer. They sought betterment for themselves and their children. They came to a new country; they dreamed dreams, and endured hardships for the sake of their dreams. They dedicated the best years of their manhood and all of their interests to create, serve, and perpetuate a government that dedicated to the common good of all men. This service they have rendered to their country and to us, their children. We therefore have in common the hopes and aspirations of our fathers. We have in common bequeathed to us those ideals which Bolivar, Rosas, and San Martin, and the founders of this government fought for and on which the governments under which we live were founded. Our traditions, our purpose, our aspirations, all suggest friendship, mutual trust, mutual helpfulness."

The Director General of the Pan American Union

The concluding address contemplated in the official program was contributed by Mr. John Barrett, the Director General of the Pan American Union, an organization representing the 21 republics of the western hemisphere whose beautiful and imposing headquarters afforded the setting for the conference. In reviewing the growth of inter-American relations in the last few years, Mr. Barrett did not hesitate to quote figures and statistics. Much lack of appreciation of this rapid growth has been due to a corresponding lack of interest. But facts are hard to controvert, and Mr. Barrett's brief summary of matters which have passed under his immediate attention in the last few years, affords much food for reflection on the very positive and steady growth of our relations with Latin America in all branches of trade and knowledge:

"I might go on and mention other facts like these, but I know this will interest the Latin American delegates: Eight years ago, when we investigated the universities and colleges of this country, we found only about 9 or 10 that had any regular courses in Spanish. Now, as a result largely of the efforts of this international organization, 233 universities, colleges, and higher educational institutions have regular courses in the Spanish language.

"In the early part of 1907, in response to a circular letter which we sent out, we found only 25 high schools in the United States that gave any attention to the study of the Spanish language. Our recent record shows over 1,100 high schools in 1,100 different cities and towns of the United States taking up the study of the Spanish American Union received 21 invitations from commercial organizations, chambers of commerce, and societies throughout the country to discuss Latin America. Last year 889 invitations

were received, covering every State and Territory of the United States, and some seven or eight foreign countries. One of our statisticians, who is a very clever man and who watches things closely, informs me that in the month of April the newspapers of the United States gave more space to Latin America in one month than they did in the three years of 1907, 1908 and 1909. [Applause.] He also informs me that the magazines of the United States had more articles in January, February, and March on Latin America than in the five years from 1907 to 1912. Is there any better evidence of the growth of tangible Pan Americanism than that fact? A great book publisher told me the other day that more books relating to Latin America were published in 1914 than in the entire period from 1906 to 1910. These facts, I think, should be borne in mind, especially by the Latin-American delegates, that they may know the growth of interest in this part of the world regarding Latin America. And, correspondingly, I want to say that the number of inquiries which the Pan American Union received in the form of letters and telegrams from all over Latin America about the United States are 500 per cent greater than they were five years ago. That certainly shows a reciprocal attitude that is worth while.

"In the matter of trade in these years the total commerce of Latin America—that is, of these 20 countries from Cuba and Mexico south to Argentina and Chile—has grown from \$1,800,000,000 to nearly \$3,000,000,000, a tremendous increase of over a billion dollars in that period.

"And we find, if we take the commerce of the United States, that in that period the total value of the exchange of products between the United States and these 20 countries has increased from a little less than \$500,000,000 to more than \$800,000,000.

"Let us hope that it may awaken the commercial, the civic and social societies, the universities and colleges; the rank and file of business men, and the people in general of every republic to a realization of the meaning of Pan American solidarity and of the common interests, purposes, and hopes of the republics and peoples of the New World.

"Our records show that during the last seven years over 3,000 men, firms, and companies have recorded themselves in this office as desiring information preparatory to doing business in Latin America, in contrast to less than 300 for the previous period of years before that.

"Let us hope, therefore, that this conference may mark the beginning of a far-reaching Pan American movement among all the Republics of the Western Hemisphere, from the United States on the north to Argentina and Chile on the south."

The Dean of the Diplomatic Corps, the Bolivian Minister

A number of other addresses were included in the general sessions of the conference. To members of the Chamber of Commerce of the United States one of the most interesting was that of the Bolivian Minister, Mr. Calderon. In urging the necessity for various improvements, and speaking in English, he went on to say:

"There is another point, which refers more to the future, which the Bolivian delegation has thought necessary to point out and that is the establishment of an agency, under the supervision of the direction of the Chamber of Commerce of the United States. The Chamber of Commerce of the United States represents almost all the organizations of the country. The different reports presented here will have no effect if there is not a central agency where all necessities could be centralized. In Bolivia, for instance, there is a necessity for the establishment of sanitation, for the construction of sewerage, and for other sorts of public necessities. * * * I do not wish to take any more time of the Conference but I wish to call attention to this subject which seems to be of sufficient importance to be taken into consideration and discussed."

As has been indicated elsewhere the usual and practical feature of the conference lay in the work of the group committees assigned to each country. These committees studied practical problems of trade, finance and transportation. But the general sessions were none the less stimulating and interesting, and the wide range of topics discussed and the exceptionally prominent and distinguished character of the speakers only reflected the actual significance of the conference as a whole.

Organization and Members of the Conference

Presiding Officer, Hon. William G. McAdoo, Secretary of the Treasury of the United States

HONORARY PRESIDENTS

Their Excellencies the Ministers of Finance—

Dr. ENRIQUE CARBO.....Argentina.
Dr. C. ROJAS.....Bolivia.
Dr. SABINO BARROSO.....Brazil.
Dr. ALBERTO EDWARDS.....Chile.
Dr. JORGE VELEZ.....Colombia.
Dr. MARIANO GUARDIA CARAZO.....Costa Rica.
Dr. LEOPOLDO CANCIO E.....Cuba.
Dr. SALVADOR B. GAUTIER.....Dominican Republic.
Dr. AUGUSTIN CABEZAS.....Ecuador.
Dr. GUILLERMO AGUIRRE.....Guatemala.
Dr. GENERAL LEOPOLDO CORDOVA.....Honduras.
Dr. PEDRO R. CUADRA.....Nicaragua.
Dr. ARISTIDES ARJONA.....Panama.
Dr. JERONIMO ZUBIZARETTA.....Paraguay.
Dr. L. F. VILLARAN.....Peru.
Dr. SAMUEL LUNA.....Salvador.
Dr. PEDRO COSIO.....Uruguay.
Dr. R. CARDENAS.....Venezuela.

VICE PRESIDENTS.

Hon. Andrew J. Peters,
Assistant Secretary of the Treasury.
Hon. Samuel Hale Pearson,
Chairman of Argentina Delegation.
Hon. Ignacio Calderon,
Chairman of Bolivia Delegation.
Hon. Dr. Amaro Cavalcanti,
Chairman of Brazil Delegation.
Hon. Luis Izquierdo,
Chairman of Chile Delegation.
Hon. Santiago Perez Triana,
Chairman of Colombia Delegation.
Hon. Mariano Guardia,
Chairman of Costa Rica Delegation.
Hon. Dr. Pablo Desvernine y Galdos,
Chairman of Cuba Delegation.
Hon. Francisco J. Peynado,
Chairman of Dominican Republic Delegation.
Hon. Dr. Juan Cueva Garcia,
Chairman of Ecuador Delegation.
Hon. Victor Sanchez Ocana,
Chairman of Guatemala Delegation.
Hon. Gen. Leopoldo Cordova,
Chairman of Honduras Delegation.
Hon. Pedro Rafael Cuadra,
Chairman of Nicaragua Delegation.
Hon. Aristides Arjona,
Chairman of Panama Delegation.
Hon. Hector Velazquez,
Chairman of Paraguay Delegation.
Hon. Isaac Alzamora,
Chairman of Peru Delegation.
Hon. Alfonso Quinones,
Chairman of Salvador Delegation.
Hon. Pedro Cosio,
Chairman of Uruguay Delegation.
Hon. Pedro Rafael Rincones,
Chairman of Venezuela Delegation.

Secretary-General, Dr. Leo S. Rowe.
Asst. Secretaries General, W. S. Sands, Basil Miles,
J. B. B. Parker, J. S. Gittines, Jr.

Members of the Diplomatic Corps Invited to Attend the Conference.

Their Excellencies, the Ambassadors of Argentina, Brazil, Chile, and the Ministers of Bolivia, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay and Venezuela.

Representatives of the United States in Attendance at the Conference.

Aerts, G. A., Chamber of Commerce, Cincinnati.
Allen, Frederic W., Lee Higginson & Co., Boston.
Ardrey, J. Howard, Cashier City National Bank, Dallas.
Arnold, J. J., Banker, Chicago.
Austin, R. L., Federal Reserve Bank, Philadelphia.

Babson, Roger W., Boston.
Bancroft, Chas. G., International Trust Co., Boston.
Barrett, John, Director-General Pan-American Union, Belmont, August, New York.
Bippus, W. F., National Cash Register Co., Dayton.
Bixby, William K., American Car Co., St. Louis.
Boyd, L. C., Banker, Indianapolis.
Brand, C. J., Department of Agriculture, Washington.
Brown, F. Q., Redmond & Co., New York.
Brown, James, New York.
Bryan, Hon. Wm. Jennings, Secretary of State.
Burke, John, Treasurer of the United States.
Burlison, Hon. Albert Sidney, Postmaster General.
Butterworth, William, Deere & Co., Moline, Ill.

Calderon, Senor Don Ignacio, Minister of Bolivia.
Chamorro, General Don E., Minister of Nicaragua.
Clausen, John, Crocker Nat. Bank, San Francisco.
Clapham, A. G., Commercial National Bank, Washington.
Conant, Charles A., New York.
Conklin, Franklin, Newark.
Cone, Caesar, Greensboro.
Coolidge, J. Randolph, Architect, Boston.
Cornell, Charles L., Niles-Bement-Pond Co., New York.
Crane, Charles R., Manufacturer, Chicago.
Curtiss, Frederic R., Federal Reserve Bank, Boston.

Davies, Hon. Joseph E., Chairman Federal Trade Commission, Washington.
Davison, Henry P., J. P. Morgan & Co., New York.
Deans, H. G. P., Manager Foreign Department Merchants' Loan & Trust Co., Chicago.
Defrees, Joseph H., Association of Commerce, Chicago.
Delano, Frederick A., Federal Reserve Board.

De Lanoy, William C., Director Bureau of War Risk Insurance, Treasury Department, Washington.
de Lima, E. A., Banker, New York.
de Navarro, Alfonso, Portland Cement Co., New York.
Douglas, William H., Merchant, New York.
Downey, Hon. George E., Comptroller of the Treasury.
Duval, G. L., New York.

Eaton, Frederick H., President American Power & Foundry Co., New York.
Edson, John Joy, Washington Loan & Trust Co.
Eldridge, H. R., Vice President National City Bank, New York.
Elliott, Hon. Milton C., Counsel Federal Reserve Board, Washington.
Emerson, Guy, New York.
Erskine, A. R., Studebaker Co. of Indiana.
Esberg, A. L., Wholesale Tobacco, New York.

Fahey, John H., President of the United States Chamber of Commerce, Boston.
Fairchild, Samuel J., New York.
Falconer, Charles E., President Merchant and Manufacturers Association, Baltimore.
Fancher, E. R., Federal Reserve Bank, Cleveland.
Farquhar, A. B., A. B. Farquhar & Co., New York.
Farrell, James A., U. S. Steel Corporation, New York.
Fisher, Edmund D., City Deputy Controller, New York.
Flint, Charles R., New York.
Flood, Hon. Henry D., Member of Congress, Virginia.
Forgan, J. B., President First National Bank, Chicago.
Francis, David R., St. Louis, Mo.
Frederick, Leopold, New York.
Fuerth, Otto H., New York.
Fuller, Paul, New York.

Gallagher, W. T., American National Bank, Washington.
Gary, Elbert H., U. S. Steel Corporation, New York.
Given, T. H., Farmers' Deposit & National Bank.
Goldstein, L. S., New Orleans.
Goodhue, F. A., First National Bank, Boston.
Goodwin, E. H., U. S. Chamber of Commerce.
Gorrell, Frank E., Secretary National Canners' Association, Washington.
Grace, Joseph P., New York.
Green, C. A., R. G. Dun & Co., New York.
Grenstad, Hon. N. A., United States Consular Service.
Gregory, Hon. Thomas Watt, Attorney General.
Guggenheim, Daniel, American Smelting Co., New York.

Hamlin, Charles S., Governor Federal Reserve Board.
Hammond, John Hays, Engineer, New York.
Harding, W. P. G., Federal Reserve Board.
Hardy, Caldwell, Banker, Norfolk.
Harper, Robert N., District National Bank, Washington.
Harris, A. M., Harris, Forbes & Co., New York.
Harris, Hon. William J., Commissioner Federal Trade Commission, Washington.
Harrison, Fairfax, President Southern Railway Co., Washington.
Hart, Francis R., Old Colony Trust Co., Boston.
Hastings, S. M., Illinois Manufacturers' Association, Chicago.
Hepburn, A. B., Chase National Bank, New York.
Hollander, Prof. J. E., Johns Hopkins, Baltimore.
Holliday, John H., Union Trust Co., Indianapolis.
Howard, A. B., American Express Company.
Hurley, E. M., Federal Trade Commission, Washington.

Imhoff, C. H., Irving National Bank, New York.
Ingle, William, Federal Reserve Bank, Richmond.
Jaffray, C. T., First National Bank, Minneapolis.
Jay, Pierre, Federal Reserve Bank, New York.
Johnson, Alba B., Baldwin Locomotive Works, Philadelphia.
Johnston, Archibald, Bethlehem Steel Corporation, New York.
Jones, DeW. Clinton, American Dyewood Co., New York.
Jordan, G. G., Banker, Columbus, Ga.
Joy, Benjamin, Shawmut National Bank, Boston.

Keith, Charles A., Keith & Perry, Kansas City.
Kelly, N. B., Chamber of Commerce, Philadelphia.
Kent, Fred L., Bankers Trust Co., New York.
Kies, W. S., National City Bank, New York.
Kiler, Charles A., Champaign, Ill.
Kretz, George H., National Park Bank, New York.

Lane, Miles P., President Citizens & Southern National Bank, Savannah.
Lage, Frederick, Mechanics & Metals Bank, New York.
LeGendre, William C., New York.
Loeb, William, Jr., New York.
Lufkin, E. C., The Texas Co., New York.
Lylerly, C. A., First National Bank, Chattanooga.

McChord, Joseph A., Federal Reserve Bank, Atlanta.
McCrosky, J. W., J. G. White & Co., New York.
McQueen, H. C., Banker, Wilmington, N. C.
Maddox, Robert F., American National Bank, Atlanta.
Mahana, G. S., Corn Products Refining Co., New York.
Malburn, Wm. P., Washington.
Martin, W. McC., Federal Reserve Bank, St. Louis.
Meeker, Arthur, Armour Grain Company, Chicago.
Mendez, Senor Don J., Minister of Guatemala.
Meredith, E. T., Des Moines, Iowa.
Miller, Hon. Adolph C., Federal Reserve Board.
Miller, J. Z., Jr., Federal Reserve Bank, Kansas City.
Minotto, James, Guaranty Trust Co., New York.
Mitchell, C. D., Chattanooga Plow Co., Chattanooga.
Moore, John Bassett, New York.
Morales, Dr. Don E. A., Minister of Panama.
Morgan, J. P., 15 Broad Street, New York.
Muehnic, Charles, American Locomotive Co., New York.

Newton, Hon. Byron R., Asst. Secretary of Treasury.
Nickerson, J. F., Chicago Association of Commerce.
Norris, George W., Banker, Philadelphia.
Norton, Charles D., First National Bank, New York.
Nunisen, George N., President National Canners' Association, Baltimore.

O'Brien, Hon. Edward C., New York.
Oleott, Hon. J. Van Vleeten, President Pan American States Association, New York.
O'Neil, J. E., President Fulton Foundry Co., St. Louis.
Osborn, William H., Commissioner of Internal Revenue, Washington.
Osborne, Hon. J. E., First Assistant Secretary of State.
Owen, T. Hart, Pittsburgh.
Owens, Dr. Clarence J., Southern Commercial Congress, Washington.

Paine, A. G., Jr., President New York & Pennsylvania Co., New York.
Parker, Walter, Manager Chamber of Commerce, New Orleans.
Parry, William H., Commissioner Federal Trade Commission, Washington.
Patchin, Robert H., National Foreign Trade Council, New York.
Penfield, Walter S., Lawyer, Washington.
Penny, David H. G., Irving National Bank, New York.
Pepper, Charles M., Washington, D. C.
Perry, Marsden J., Union Trust Co., Providence.
Peters, Hon. A. J., Asst. Sec. of Treasury, Washington.
Pezet, Mr. Frederico A., Minister of Peru, Washington.
Phillips, Hon. William, Third Asst. Secretary of State.
Pierson, Lewis E., Austin Nichols Co., New York.
Potter, W. C., Guaranty Trust Co., New York.
Price, Theodore H., New York.

Redfield, Hon. William Cox, Secretary of Commerce.
Reynolds, George M., Commercial & Continental National Bank, Chicago.
Reynolds, James B., National Association of Cotton Manufacturers, Washington.
Rhett, R. G., Banker, Charleston, S. C.
Rhoads, Charles J., Federal Reserve Bank, Philadelphia.
Rice, E. W., Jr., General Electric Co., New York.
Rich, John H., Minneapolis, Minn.
Richards, G. H., Remington Typewriter Co., New York.
Roskoff, John J., Treasurer E. I. du Pont de Nemours Powder Co., Wilmington, Del.
Rossell, John S., Security Trust Co., Wilmington, Del.
Rovensky, J. E., National Bank of Commerce, New York.
Rowe, W. S., First National Bank, Cincinnati.
Ruble, Hon. George, Commissioner Federal Trade Commission, Washington.
Rue, Levi L., Philadelphia National Bank, Philadelphia.
Ryan, John D., Amalgamated Copper Co., New York.
Rupert, J., Amsinck & Co., New York.

Sachs, Samuel, Goldman, Sachs & Co., New York.
Saunders, W. L., Ingersoll, Rand Co., New York.
Schiff, Mortimer L., Kuhn, Loeb & Co., New York.
Schmidt, George P., Schmidt & Gallatin, New York.
Schoonmaker, S. L., American Locomotive Co., New York.
Seligman, Isaac N., New York.
Shapleigh, A. L., Commercial Club, St. Louis.
Sherrill, Charles H., New York.
Shirley, James J., T. A. Gillespie Co., New York.
Simmons, W. D., Philadelphia.
Smith, James E., Banker, St. Louis.
Speyer, James, New York.
Storrow, James, Lee, Higginson & Co., Boston.
Straight, Willard, J. P. Morgan & Co., New York.
Strong, Benjamin, Jr., Federal Reserve Bank, New York.
Sulzberger, G. F., New York.
Sutter, Charles S., Business Men's League, St. Louis.
Swiggett, Dr. G. L., Pan-American Union, Washington.

Tedcastle, A. W., Boston.
Thomas, E. P., U. S. Steel Products Co., New York.
Thompson, Hon. Arthur, Nicaraguan-Mexican Commission, Washington.
Toby, George P., A. B. Leach & Co., New York.
Townley, Calvert, Westinghouse Co., East Pittsburgh.
Travieso, Hon. Martin, Treasurer of Porto Rico.

Untermeyer, Samuel, Lawyer, New York.

Vanderlip, Frank A., National City Bank, New York.

Wade, F. J., Banker, St. Louis.
Warburg, Hon. Paul M., Federal Reserve Board.
Warden, C. W., Continental Trust Co., Washington.
Warfield, Edwin, Fidelity Trust Co., Baltimore.
Warren, Charles B., Board of Commerce, Detroit.
Wells, Rolla, Federal Reserve Bank, St. Louis.
Wexler, Solomon, Whitney-National Bank, New Orleans.

Wharton, Elias Q., Otis Elevator Co.
Wheeler, Harry A., Union Trust Co., Chicago.
White, J. G., J. G. White & Co., New York.
Wiggin, A. H., Chase National Bank, New York.
Williams, Hon. John Skelton, Comptroller of the Currency, Washington.
Williams, R. Lancaster, Middendorf, Williams & Co., Baltimore.
Willis, H. Parker, Federal Reserve Board, Washington.
Wilson, Hon. William Bauchop, Secretary of Labor.
Wilson, Dr. W. P., Director Commercial Museum, Philadelphia.

Wing, Daniel G., First National Bank, Boston.
Wood, Edward Randolph, Philadelphia Board of Trade.
Woolley, Robert W., Auditor Interior Department.
Yanes, Francisco J., Assistant Director General Pan-American Union.

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WASHINGTON, D. C.
MAY 24-29, 1915